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Cholera Cases Stir Media Debate

95P20093A

[FBIS Media Note] For several days in September 1994, the front page of the Socialist Party daily ZERI I POPULLIT was dominated by headlines such as:" Cholera Is Wreaking Havoc," "Reflections on the Days of Cholera," "Alarming Situation of the Drinking Water Throughout the Country," and "Tirana—A Threatened City." Initial reports on cholera cases appeared on the first page of the 13 September issue under the headline "Alarming Situation: Poisoning or Choleraic Diarrhea." In contrast, on the same day the daily newspaper of the ruling Democratic Party, RILINDJA DEMOKRATIKE, reported on page three that five people had died of "food poisoning" in Berat and Kucove districts, that about 90 people had been poisoned, and that milk was suspected as the source.

RILINDJA DEMOKRATIKE did an about-face the next day, carrying a front-page announcement of the Ministry of Health and Environmental Protection, that there had been 27 confirmed cases of cholera and four deaths. In an interview on the same page, Health Minister Maksim Cikuli stressed that the situation was under control, speculated that the disease could have been brought into Albania by travellers from Turkey and Russia, and noted that "some Pakistanis" entering Albania had been found to be infected and that the World Health Organization had recorded cholera cases in Moldova, Romania, Denmark, Great Britain, and "even in Paris." Cikuli added: "We know that many countries do not report their cases."

In an article titled "Government of Doctors," ZERI I POPULLIT of 16 September listed the "terror of cholera" as one of the failures of the health sector of President Sali Berisha, a cardiologist, and other Democratic Party leaders who are also physicians: Alfred Serreqi, Ali Spahiu, and Tritan Shehu. The author conceded: "Of course, when they are in the government, doctors do not exercise their profession and do not have direct responsibility for the medical situation in the country. But, since they have a superior knowledge of the health field, it would be logical for them to have greater successes in this area." The next day, the same paper attacked the government for having announced that it would provide "up to $200,000 to confront the situation." The paper asked: " What kind of idiotic announcement is this? Whose government is this and to whom will it be giving these dollars?... It is clear that the government 'has washed its hands' of the cholera and is content merely with giving a few dollars. ...The government is hiding its head like an ostrich because the entire responsibility for the cholera is falling upon it. It can now be called the 'cholera government'" The paper further charged that "from the first announcement on the outbreak, official reporting had not been accurate. "The outbreak," complained ZERI I POPULLIT, was reported officially "only after the press had announced it. The press continues to preempt the official announcements ... [and] the Ministry's briefings are full of contradictions. On the same day, the minister gave one report to the press, his counsellor gave another, and the director of the Institute of Hygiene and Epidemiology gave still another report. Don't they know the situation, or are they afraid to express themselves?"

RILINDJA DEMOKRATIKE (18 September) took issue with ZERI I POPULLIT's charge that "cholera is wreaking havoc and the government is hiding its head," claiming that some cholera patients had already gone home from the hospital and that only eight persons, most of them elderly, had died, compared to more than 100 who died in an influenza epidemic four years ago. The paper added: "Even the World Health Organization has written that the situation in Albania is not alarming." Only those who "write with the logic of ZERI I POPULLIT" can "blame the democratic government for allowing cholera to come into Albania. It is true that, during the time of Enver Hoxha, Albania was so isolated that diseases could not get into the country." However, said the paper, it would be hard to imagine that "the opposition would advise us to return to the quarantine of those days." Another article in the same issue of RILINDJA DEMOKRATIKE reported that the Ministry of Health claimed the statistics on cholera cases published in some opposition newspapers were "lies and fictitious." Such reporting, the paper said, does nothing but produce unjustified fear and anxiety among the citizens.

In an 18 September article titled "Cholera Imported From Greece," REPUBLIKA, the Republican Party organ reported that four of the first confirmed cholera cases in Kucove were Albanian emigrants who had recently returned from Greece. In addition, the paper said that beverages exported from Greece to Albania had been analyzed and had tested positive for the cholera vibrio. The daily asserted: "Speculations about the import of the disease from the Asian countries are not credible because emigrants from these countries have never been in Kucove and Berat. Thus, the attempts of Greece to link the cholera and the thesis that it was imported by 'Islamic fundamentalism' are now exposed." On 25 September, the same paper quoted Dr. Aleksander Sallabanda, director of the Institute of Hygiene, as saying, in reference to the introductin of cholera into Albania: "It seems most credible that this was done by means of our refugees who returned from Greece. In my professional opinion, this was fully possible, and now it has been proven."

ZERI I POPULLIT has reported on the reactions of neighboring countries to the cholera outbreak, including: the Italian Government's offer to send medicines and health workers, as well as its decision to ban food imports from Albania, subject travellers from Albania to health examinations, and ensure that no Albanians enter the country illegally by sea (ZERI I POPULLIT 17 September); Greece's offer of medicines and doctors,

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which, according to a spokesman of the Greek Ministry of Foreign Affairs "is a sign of good will," and its continuation of measures taken when cases of cholera were detected in Turkey (ZERI I POPULLIT 17 September); the prevention of Albanians from entering Montenegro at the Han i Hotit border crossing point, obligatory medical examinations for anyone travelling from Albania to Slovenia, and "protective measures in Yugoslavia and Macedonia" (ZERI I POPULLIT 18 September).

Assembly Approves Referendum Bill

95P20108A Tirana RILINDJA DEMOKRATIKE in Albanian 7 Oct 94 p 1

[Article by Mentor Shehu: "Yesterday in the People's Assembly—The Draft Law on the Referendum Becomes Law"]

[FBIS Translated Text] Yesterday, the draft law on the referendum, presented by the president of the republic, Sali Berisha, was discussed and voted on at the People's Assembly session. The session was chaired by the deputy chairman of the People's Assembly, Tomorr Malasi, who began the meeting with questions raised by the deputies in connection with the draft law presented. Legal specialists gave responses to all of them. Most of the questions were related to the Constitution and very few were related to the draft law on the referendum.

Finally, the discussions on the draft law began. The interlocutors were divided into two camps. The socialists, whose discussions were apart from all normal logic, indulged in accusations, allusions, and misinterpretations in regard to the referendum. They all wanted to sabotage the approval of the draft law on the referendum.

The deputies of the Democratic and Republican Parties presented legal arguments for the necessity of the law on the referendum as a democratic constitutional law and as a new institution. During the discussions, brochures with the text of the draft constitution were placed on the deputies' tables.

Ali Spahiu led the discussion in the name of the Democratic Party parliamentary group.

Gramoz Ruci made the concluding contribution to the insanity of the discussions of the Socialist Party deputies. This deputy, as always, delirious about communist ideals and nostalgic for the 1976 Constitution of E. Hoxha, threw a smoke bomb of consensus on demagogy and accused the Democratic Party of being a totalitarian party which does not accept dialogue and consensus which, supposedly, the socialists have sought.

Ruci closed the discussion with four conditions which must be accepted. If they were not accepted, the socialists would leave the room and would not participate in the vote on the draft law on the referendum.

Responding to the false claims and accusations of Gramoz Ruci, Deputy Tritan Shehu said: "We think that it is impossible to achieve a consensus with you socialists in regard to the draft law on the referendum and the Constitution. No consensus can be reached with you because your positions have always been inconsistent. You violated the consensus achieved on the Law on Human Rights and Freedoms even though you gave your word to the president of the Republic. You did not vote for this humane law which was so important for our country.

"During the work of the Commission on the Constitution, even though a consensus was sought on several occasions, you did not accept it but you even sabotaged it because it has been and still is your goal to keep Albania from having this Constitution. We should stress that most of the chapters of the new constitution have been approved by two-thirds of the votes of the members of the pluralistic parliament."

During this response, the Socialist Party deputies, the "independents," and [Social-Democratic Party Chairman Skender] Gjinushi left the room and did not participate in the voting on the draft law. After approval of the bill in principle, the voting on individual articles began and, by a majority of votes, the draft law on the referendum became a law which went into effect immediately.

Law on Referendums

95P20104A Tirana FLETORJA ZYRTARE in Albanian No 10/3, Oct 94 pp 2-8

["Text" of Law No. 7866 of 6 October 1994: "On Referendums"]

[FBIS Translated Text] On the basis of articles 3, 16 and 28 of Law No. 7491 of 29 April 1991 "On the Main Constitutional Provisions", at the proposal of the President of the Republic, the People's Assembly of the Republic of Albania has decided:

CHAPTER I
General Provisions

Article 1—The referendum is one of the forms of the exercise of power by the people by means of a general, equal, direct, and secret vote.

Article 2—The referendum can be used to approve the Constitution and its amendments and other issues of special national importance related to the independence and integrity of the Republic of Albania and other important issues. The referendum can also be used for important issues related to the territorial-administrative units of the country on the condition that the single national character of the Albanian state is not adversely affected.

Article 3—Referendums, depending on their nature, can be either general or partial. General referendums are

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carried out over the entire territory of the Republic of Albania and all Albanian citizens with the right to vote can participate. Partial referendums are carried out in one or more territorial-administrative units of the Republic of Albania and Albanian citizens with the right to vote, who are permanent residents of these units, can participate.

Article 4—All Albanian citizens who have reached the age of 18 as of the date of the voting have the right to participate in the referendum. Citizens whose competency to take action has been taken away do not have this right.

Article 5—The President of the Republic takes the initiative to ask that a referendum be held and he sends this proposal to the People's Assembly for a decision. The decision is made by a majority of the votes.

Article 6—The referendum is proclaimed by the President of the Republic by a special decree, immediately after the decision is made by the People's Assembly. The date of the referendum is set by decree for an ordinary non-working day within 45 days of the date of its proclamation.

CHAPTER II
Organization of the Referendum

Voting Lists

Article 7—Voting on the referendum is carried out on the basis of voting lists. These lists register all the citizens who have the right to participate in the referendum and who have permanent or temporary residency in the zone in which the referendum is being held. The competent organ which registers citizens with temporary residence in its territory is obliged to notify the appropriate organ in their place of residence so that they will not be registered in two places.

Article 8—The lists of citizens who have the right to participate in the referendum are compiled by the appropriate organs of local government. They must include the surname, father's name, first name and date of birth of the voter and the number of the voting center. The lists are signed by the chairman and secretary of the local government executive organ.

Article 9—The voting lists are posted in public places by the organ compiling them, no later than 15 days before the referendum.

Voting Commissions and Centers

Article 10—The voting and the tabulation of the votes take place in the voting centers.

Article 11—The voting centers are designated no later than 20 days before the referendum. The voting centers are established by decision of the respective local government executive organs.

Article 12—The following are established for organizing and holding the referendum:

1. The Central Election Commission.

2. The commissions of the communes, municipalities, and districts.

3. The commission of the voting center.

Article 13—The Central Election Commission: a) ensures the equal and exact implementation of this law during the holding of the referendum in the entire territory of the Republic of Albania; b) exercises methodological guidance and monitors the activity of the voting commissions of the districts, municipalities and communes; c) examines complaints against illegal activities and actions and acts of the election commissions; ch) sets the regulations for allowing domestic and foreign observers to be present during the holding of the referendum and gives them identification documents; d) issues the final results of the referendum on the national level.

Article 14—The commissions of the communes, municipalities and districts: a) ensure the equal and exact implementation of this law during the holding of the referendum in their territory; b) monitor the activity of the voting centers during the holding of the referendum; c) equip the voting center commissions with ballot boxes, ballots and other materials which are necessary for the normal holding of the referendum; ch) count the votes on the basis of the written reports of the voting centers and announce the results of the referendum in the zone; d) examine complaints against illegal activities and actions of the commissions of the voting centers and make the appropriate decisions.

Article 15—The commission of the voting center: a) ensures free and normal voting, in accordance with the law; b) ensures that regulations are observed during the voting; c) counts the votes placed in the ballot boxes; ch) prepares and delivers the written report on the voting to the district, commune or municipality commissions; d) records in the written report the complaints and requests of members of the commission or of the voters, examines them and issues the appropriate ruling.

Article 16—For the organization and normal development of the referendum, for all the regulations regarding the voting lists, the voting zones and centers and for their composition and powers, the legal provisions stipulated in Chapter II of Law No. 7573 of 16 June 1992 "On the Election of Local Government Organs" are applicable. A commission composed of the chairman, the secretary and a representative of the political parties which are represented in the local government is set up for each voting center. When the total number is an even number, a member with no party affiliation is added.

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Appeals of Rulings of the Commissions

Article 17—Rulings of the commissions of the communes and municipalities can be appealed within three days of their proclamation, to the district commission which issues the appropriate ruling. Rulings of the district voting commission can be appealed to the Central Election Commission. After the Central Election Commission examines the appeals presented, it issues a ruling within three days.

Article 18—Rulings of the Central Election Commission can be appealed to the Constitutional Court, within two days of their proclamation. The Constitutional Court examines the appeal and, within three days, it issues a ruling on the final announcement of the results of the referendum, which is a final decision.

Campaigning

Article 19—Citizens, political parties and organizations have the right to campaign for the alternative which they have chosen.

Article 20—No campaigning is allowed on the day before the referendum and on the day of the referendum.

Article 21—Articles 41-48 of Law No. 7573 of 16 June 1992 are implemented in regard to campaigning.

Ballots

Article 22—Ballots for the referendum will be printed in the same size, with the same color, and the same paper.

Article 23—The number of ballots distributed to the commissions in the zones equals the number of registered voters on the respective lists, plus two percent.

Article 24—The model ballot for the referendum is decided upon by the Council of Ministers.

CHAPTER III
The Referendum and the Promulgation of Its Results

The Voting

Article 25—The voting on the referendum takes place in the environment specified by the local government executive organs.

Article 26—The voting on the referendum takes place from 8 A.M. to 8 P.M. on the specified date.

Article 27—On the ballot for the referendum, the citizen voting leaves his choice unmarked and draws a line through the other alternative.

Article 28—The regulations prescribed in articles 65, 66, 67, 68, 71 and 72 of Law No. 7573, of 16 June 1992,"On Elections of Local Government Organs" are also observed in votingon the referendum.

Counting the Votes

Article 29—Immediately after the voting ends, the chairman of the voting center commission proclaims that the voting has been completed. Before the tabulation of the votes begins, the chairman of the voting center destroys the unused ballots, after counting them and recording their number in the written report. Then he opens the ballot box and takes out all the ballots. The valid and invalid ballots are counted in the presence of all the members of the commission and their number is recorded in the written report.

Article 30—Ballots are invalid if: a) they do not satisfy the requirements in regard to size, color, composition of the paper, content and sealing; b) they are so badly damaged that it is not possible to determine the wishes of the voter; c) neither one of the two alternatives is crossed out or a line has been drawn through both alternatives.

Article 31—After the referendum is completed, the chairman of the voting center compiles the written report which contains: a) the number of the voting center and zone; b) the total number of citizens registered to vote in the voting center; c) the number of ballots cast on the date of the referendum; ch) the number of voters indicated on the lists; d) the number of ballots which had been in the ballot boxes, after their removal from the boxes; e) the number of valid ballots; e umlaut) the number of invalid ballots; f) the number of votes for the Constitution, the amendment or the issue for which the referendum is being held; g) the number of votes against the Constitution, the amendment or the issue for which the referendum is being held; h) objections and appeals presented to the commission and the rulings on them. The written report is prepared in two copies and signed by all the members of the voting center commission and must have the appropriate seal. Any member who does not agree with the written report or with a portion of it has the right to indicate his objections in the written report.

Article 32—The voting center commission sends the commune or municipality commission two copies of the written statement, along with the ballots, the seal and the voting lists. These materials are delivered by the chairman and secretary of the voting center, accompanied by an employee of the police department, within 24 hours of the completion of the referendum.

Article 33—On the basis of the data in the written statements of the voting centers, the commune or municipality commission makes a summary of the results and presents it in a written statement which meets the requirements listed in Article 32 of this law. A written statement in two copies, the lists of voters, the ballots and the seals are sent to the district commission.

Article 34—When it receives the written statements of the communes and municipalities, the district commission announces the final results and compiles a written statement which contains: a) the total number of citizens

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registered to vote in the entire territory of the district; b) the total number of citizens who voted; c) the total number of ballots placed in the box; ch) the total number of invalid ballots; d) the total number of valid ballots; e) the number of votes for the Constitution, the amendment or the issue for which the referendum is being held. e umlaut) The number of votes against the Constitution, the amendment or the issue for which the referendum is being held; f) the objections and complaints presented to the commission and the rulings on them. The written statement is compiled in two copies, one of which is sent to the Central Election Commission within two days of the completion of the referendum, while the other is kept in the district commission.

Article 35—After receiving the written reports from the district commissions, the Central Election Commission issues the final results, which are presented in a separate written report which contains the data specified in Article 34.

Article 36—The Constitution, the amendment or the other issue for which the referendum is held is considered to be accepted if more than 50 percent of the citizens taking part in the elections have voted in favor of it, on the condition that the number of these citizens must be more than 50 percent of the number of citizens registered on the voting lists.

CHAPTER IV
Responsibility for Violation of This Law

Article 37—Persons who, through the use of violence, deceit, threats or anything else, prevent a citizen from taking part or not taking part in the referendum or force them to vote for or against it will be punished by a fine or the deprivation of freedom for up to three years.

Article 38—The presentation in the referendum document of data, circumstances and figures which are known to be inaccurate as well as the preparation of false documents or the replacement of facts by falsehoods, on the part of the persons charged with compiling, evaluating or issuing the results or keeping the documents will be punished by a fine or a prison sentence of up to five years.

Article 39—The violation of other regulations specified in this law constitutes an administrative transgression and will be punished by a fine of from 1,000 to 10,000 leks. The rulings are handed down by the respective voting commissions.

CHAPTER V
Final Provisions

Article 40—The expenses for organizing and holding the referendum are borne by the state.

Article 41—The Council of Ministers is charged with providing the material and financial base and taking the organizational measures which are necessary for conducting referendums in a normal manner.

Article 42—This law goes into effect immediately.

Proclaimed by Decree No. 932, of 7 October 1994, of the President of the Republic of Albania, Sali Berisha.

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NATO Said Encouraging Balkans Arms Race

AU0111095394 Sofia 24 CHASA in Bulgarian 27 Oct 94 p 10

[Article by Lyubomir Denov: "At One Stroke, NATO Pushes Us Into a New Arms Race"]

[FBIS Translated Text] NATO is pushing us into a new arms race. After Washington and Bonn have loaded our southern neighbors with tanks and guns, Gebhardt von Moltke, political assistant to the NATO secretary general, advises us to catch up with them, if we can. He also reminds us not to forget the stringent requirements of the Conventional Armed Forces in Europe treaty.

For a man unfamiliar with Bulgaria's economic situation, von Moltke's words would sound like an expression of concern. Since the gentleman is excellently informed about the mess we are in, however, his words represent nothing but an attempt at cynicism. Thus, at one stroke, Willy Claes's man is sending us back into the most detestable period of the Cold War.

I say this because it is, precisely, none other than NATO—which provides us with our illusory hope of security—that has transformed the Turkish and Greek Armies into unprecedented colossi. This is now the second year in a row in which the two countries have been the largest purchasers of tanks in the world. The UN Armaments Register records that last year, Ankara received 1,017 tanks, and Athens 725. Few people know, however, that our neighbors concealed the true figures from UN headquarters in New York. Turkey declared that it had purchased only 539 tanks, while Greece admitted to obtaining only 450. It would be interesting to know why our neighbors are concealing the real extent of their arsenals. Furthermore, why are they buying arms just now, despite the fact that NATO made them gifts of guns no longer needed in Central Europe?

Can the ordinary Bulgarian sleep in peace when he knows that two of the Balkan countries with which we are developing the best relations are arming themselves at a furious rate? Won't the ordinary Bulgarian ask himself why NATO is sending its superfluous tanks to the Balkans and not somewhere else; why precisely to Ankara and Athens, when a real war is being waged only a few hundred km from the Greek border? Von Moltke has nothing to say about this, however, nor will he answer us if we ask him why, instead of wasting millions on tanks, the West does not give the money to us to revive our ruined economy. Even without outside help, the sober-thinking Bulgarian will reach the conclusion that, to the south of Bulgaria, deliberate and systematic preparations are under way for large-scale military clashes.

We are on good terms with the neighbors today, but who knows what things will be like tomorrow? The German official touchingly assures us, however, that no danger exists for Bulgaria from the south. In fact, our politicians are not afraid because they have no idea of the crushing superiority of the Turkish and Greek Armies over our own. Do some of them rely solely on the rivalry between Ankara and Athens; and do they even go so far as to hope that if one of them attacks us, the other will come to our support?

The majority of the Bulgaria's current politicians yearn for NATO membership as the only salvation for our national security. However, we will join NATO only a long time in the future. As things are going now, maybe we will never join.

At the moment, the Americans are interested only in Russia's nuclear weapons. For this reason and this reason alone, they dreamt up the hazy concept called the Partnership for Peace. The United States will never allow the North Atlantic Alliance to expand eastwards, as this would mean the end of their key role. Sweet stories are one thing, but reality is another.

Our hopes of developing a small but modern army are a dangerous illusion, because for this we will need more money than we spend on maintaining the current army. It is far more likely that we will fabricate a small, but outdated army, after reducing its strength by half for financial reasons. In this situation, the imbalance in the Balkans will increase further—and not, of course, to our advantage.

If we end up having a war, which is nevertheless very unlikely, we will certainly have to start dancing to the tune of Ankara or Athens. The stronger party has always called the shots. We are used to this.

Minister on Currency Speculation, Inflation

AU0111095494 Sofia NOVINI 5 in Bulgarian 27 Oct 94 p 5

[Interview with Khristina Vucheva, deputy prime minister and minister of finance, by Dencho Boyadzhiev; place and date not given: "Currency Speculation Will Stop if the National Bank Helps the Government"]

[FBIS Translated Text] [Boyadzhiev] Mrs. Vucheva, you are taking over the Finance Ministry with a good legacy: The foreign debt deal has been concluded and the budget is being fulfilled generally according to plan. Exceptions to this encouraging picture are the rise of the dollar and inflation. I mention the dollar rate first because in Bulgaria, as you know, it is not rising as a result of inflation, but the other way around. The artificially high dollar rate is fueling inflation. What is your comment on this?

[Vucheva] First of all, our foreign exchange regulations are liberal. They are established on the basis of the famous Council of Ministers Decree No. 15. However, unannounced checks at a number of banks have revealed that even many bankers are not familiar with the decree, and it is being breached on a massive scale. Because the inspection authorities gave up prosecuting violators of the foreign exchange regulations a long time ago, people

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have even forgotten that the decree exists. However liberal they may be, our foreign exchange dealings must stay within the prescribed limits. What is happening at the moment represents chaos, not liberal conditions. It enables a group of people to enrich themselves mainly from currency speculation. It cannot be denied that in our present economic stagnation, when high interest rates make it impossible for the banks to grant their customers loans, they will direct their attention mainly to currency speculation, as they cannot obtain profits from anything else. However, they should not be angry at the finance minister if he or she acts to enforce Decree No. 15.

I have heard that the banks have exported $1.5 billion. This is a very serious breach of the decree. Checks have established that the employees in certain banks who make currency transfers abroad are quite unaware of the existence of the decree. The government has no right to interfere in bank affairs, but it does have the right to demand that the banks observe the provisions of the decree on foreign exchange dealings.

[Boyadzhiev] It is clear from the outset that it is difficult and burdensome to establish an effective foreign exchange control system.

[Vucheva] I agree with you absolutely. If the Bulgarian National Bank helps the government, however, we will be able to restrict speculation. The price situation has been intolerable for a long time; millions of people find it hard to survive. In Bulgaria, it is simply unacceptable that the high dollar rate resulting from speculation should cause almost daily increases in inflation.

[Boyadzhiev] Would you kindly tell us the direction in which you plan to take action?

[Vucheva] I am sure that you can guess for yourself, but at the moment we are putting the final touches on the planned measures.

Turkish-Bulgarian 'Priority Issues' Discussed

AU3110180894 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 31 Oct 94

[FBIS Translated Text] On 31 October, Nikola Vasilev, deputy chairman of the Council of Ministers, met with Yalcin Oral, Turkish ambassador to Bulgaria.

The Turkish ambassador pointed out, as priority issues in Turkish-Bulgarian relations, issues related to the waters of the Black Sea, the property of the Bulgarian state in Turkey and of the Turkish state in Bulgaria, and the social problems of former Bulgarian citizens now living and working in Turkey.

For his part, Deputy Prime Minister Vasilev brought up issues related to the penetration of the Turkish mass media into Bulgaria, the stream of Turkish citizens transiting Bulgaria, and the possibility of Turkish mediation in a number of disputable matters between Bulgaria and certain Islamic states.

SDS Council Approves Planned Procedures

AU3110133694 Sofia DEMOKRATSIYA in Bulgarian 26 Oct 94 pp 1, 2

[FBIS Translated Text] Sofia (DEMOKRATSIYA)—At its regular meeting yesterday, the National Coordinating Council of the SDS [Union of Democratic Forces] unanimously adopted the election campaign program on which the coalition will fight the elections. SDS leader Filip Dimitrov said later at a news briefing that the text of the program will probably be published on 31 October.

At the meeting, the SDS also voted to adopt a motion submitted by Khristo Biserov, chairman of the Conservative and Ecological Party, that SDS employees not be included on the coalition's lists of candidates. The council agreed that oblast and district coordinators and employees in SDS sections should not be nominated as candidates. The restriction does not apply to the chairman of the Central Election Club or his deputy, or to the chief of the SDS press center, as these are political posts.

The National Coordinating Council also discussed the SDS's position via-a-vis public organizations and political parties that sought points of contact with the SDS in the election campaign. As Filip Dimitrov stressed, the SDS coalition is becoming a center of attraction for a number of political and public groups. The council confirmed its desire to sign partnership agreements with the Union for Balkan Revival, the Tsar Simeon Officers Legion, and the Union of Graduates of His Majesty's Military Schools. The SDS leaders also approved the agreements signed with the National Trade Union and the Association of Democratic Trade Unions. The council granted a mandate to its leadership to continue the negotiations with the leaders of five Agrarian parties that were seeking partnership with the SDS.

The SDS will also continue contacts with representatives of the Internal Macedonian Revolutionary Organization-Union of Macedonian Societies, Christian Agrarian Party, and Party of Democratic Changes. In its relations with these organizations, the SDS will defend its position as leading political force in the country. Filip Dimitrov said later at the news conference that no questions were raised, at the meeting, on extending the coalition. He added that the Union of the Repressed remains a loyal member of the SDS, despite statements made by some of its leaders.

Regarding the make-up of the candidate lists, the National Coordinating Council adopted the viewpoint that the SDS will conduct a national election campaign with politicians of national standing and will oppose attempts to give regional interests priority over national ones.

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Election Program of Union of Democratic Forces

AU3110185694 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 31 Oct 94

[FBIS Translated Text] On 31 October at 134 Rakovski Street, the Union of Democratic Forces [SDS] presented its election program—and, specifically, the economic part of that program, which represents more than 50 percent of the program.

According to SDS leader Filip Dimitrov, the goal of the SDS is to turn people into proprietors, preserve the value of the leva, and eliminate negative economic factors such as corruption.

Ivan Kostov views the struggle against organized crime and the mafia as the core of the economic part of the SDS's election program. He sees in this an important economic prerequisite for effecting changes.

In the part dealing with agriculture, the program stresses the importance of creating a land market, restoring the forests, compensating refugees, and giving land to the poor.

The SDS promises to bring inflation down to below 10 percent per year within four years. The program document envisages improving the conditions that influence the activity of small and medium-sized entrepreneurs.

Ivan Kostov pointed out stimulating exports, strengthening the process of liberalizing foreign trade, and increasing the Bulgarian presence on Balkan, Central European, and CIS markets as the most dynamic factors in reviving the Bulgarian economy.

In conclusion, Ivan Kostov pointed out that after the elections, the SDS will form coalitions only on the basis of its program.

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Zieleniec Says EU Enlargement 'Two-Way' Street

LD3110160094 Prague Radiozurnal Radio Network in Czech 1500 GMT 31 Oct 94

[FBIS Translated Text] In Luxembourg today, Czech Foreign Affairs Minister Josef Zieleniec addressed a meeting of foreign ministers of the European Union [EU] and the six associated Central and East European countries.

He described the problem of joining the Twelve as a street with two-way traffic. He said that the most important issue is our own strategy, which is based on transformation. He added, however, that the EU member countries must adapt themselves to the future unification, too. Zieleniec stressed that joining the EU represents a big challenge not only for Central Europe itself, but also for the western part of the continent.

Income Tax Cuts To Reduce Revenue by Billions

AU3110204994 Prague HOSPODARSKE NOVINY in Czech 26 Oct 94 p 3

[Article by "(pra)": "The New Amendment to Income Tax Will Cut Revenue by 6.6 Billion Korunas"]

[FBIS Translated Text] Prague—The reduction of the top rate of income tax for companies and individuals by 1 percent and other income tax amendments will cut overall revenue by 6.6 billion korunas [Kc]. The government assumes that the reduction of the highest rate of income tax for individuals from 42 to 41 percent will reduce the yield by Kc1.7 billion. A similar cut in corporate tax from 44 to 43 percent will "deprive" the state budget by about Kc100 million.

The proposed reduction of the write-off period for buildings and structures from 50 to 45 years, the possibility of claiming the remaining value of tangible and intangible property at the time of its write-off or sale against income tax, and the write off of 1 instead of the existing 10 percent of the purchase price against taxable income in case of waste water purifiers and drinking water processors will reduce revenue by approximately Kc2 billion. The most dramatic reduction in revenue, amounting to almost Kc3 billion, will be caused by the increase in personal allowances before basic tax from Kc21,600 to Kc24,000 per year, and by the increase in the annual allowance for children without gainful employment from Kc10,800 to Kc12,000. The possibility to claim the real estate transfer tax against income tax in 1995 will reduce revenue by approximately Kc200 million, while food allowances for individual entrepreneurs while on domestic business trips for up to 12 hours to be claimed in their tax returns will reduce the yield by about Kc300 million.

The draft amendment to income tax that will be discussed along with other tax amendments when the state budget is being approved at the beginning of December also contains a new amendment applicable to payments of installments, tax deductions, and tax credits. For instance, entrepreneurial entities will not have to pay any tax if their taxable income in the previous year did not exceed Kc20,000. In the Kc1 million to Kc10 million tax brackets, the monthly installments are to be changed to quarterly installments. The Cabinet believes that these changes will contribute to better solvency. The individual amendments to the law are also expected to eliminate different interpretations of certain clauses and to limit thereby the opportunities for tax evasion.

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Kovac Asks Meciar To Form New Government

LD3110171494 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 31 Oct 94

[FBIS Translated Text] Slovak President Michal Kovac has sent a letter to Vladimir Meciar, the chairman of the Movement for a Democratic Slovakia [HZDS], entrusting him with forming a new government.

The letter says that the president expects that Vladimir Meciar will brief him about coalition talks, and that, once the talks are over, he will, as a prime minister-designate, put forward a proposal on the composition of the cabinet. The president sent his letter to the HZDS chairman by courier, answering a letter he had received from Vladimir Meciar today at about 1400. In his letter, Meciar wrote to him that the HZDS Board had asked him to accept the president's offer to form a government.

Commenting on the letter sent today by Kovac to Meciar, Milan Zemko, head of the Interior Affairs Department of the Presidential Office, said that the president's letter did not give a deadline by which Meciar was expected to form the government.

Milan Zemko went on to say that the head of state would take a stance today on the issue of inviting substitute deputies to replace government members at the first session of the National Council.

Meciar Accepts Request

LD3110144594 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1400 GMT 31 Oct 94

[FBIS Translated Text] Vladimir Meciar, chairman of the Movement for a Democratic Slovakia [HZDS], has sent a letter to President Michal Kovac accepting the latter's request to form a government.

According to the HZDS press and information department, it is, however, also possible that Vladimir Meciar will meet the head of state as early as today to accept in person the request to form the cabinet.

According to an agreement reached on Thursday, Meciar was to brief Michal Kovac today about, among other things, the results of the deliberations of the HZDS national executive.

Kukan Willing To Join Cabinet

LD3110183594 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 31 Oct 94

[FBIS Translated Text] Slovak Foreign Minister Eduard Kukan would be prepared to hold his current office in a possible future cabinet headed by Vladimir Meciar. In an interview for TASR [Slovak Republic press agency], he stressed, though, that it would need to be a broad coalition government, with the participation of a number of parties.

Neither did he deny the possibility that he would accept a post in a cabinet not including the Democratic Union, for whom he ran in the parliamentary election.

However, he added that neither the Movement for a Democratic Slovakia [HZDS] nor Meciar had so far offered him such a post.

Kukan went on to say that the HZDS chairman had recently assumed a realistic and pragmatic attitude and seemed aware of the fact that a cabinet consisting exclusively of the HZDS and the Slovak National Party could not function.

SDL Chairman Discusses Talks With HZDS

AU3110211794 Bratislava PRAVDA in Slovak 25 Oct 94 pp 1, 3

[Interview with SDL Chairman Peter Weiss by Martin Krno and Milan Stanislav; place and date not given: "Confrontation Is the Greatest Loss"]

[FBIS Translated Text] Our public has been captivated recently by the statement made by Party of the Democratic Left [SDL] First Deputy Chairman and Defense Minister Pavol Kanis that he considers this left-wing party's entry into the current governing coalition to be a historical mistake. In this connection, we asked SDL Chairman Peter Weiss for an interview.

[PRAVDA] The decision made by the SDL in March was certainly not just a tactical move. It was more a strategic step. Is it possible that, among the party's most senior ranks, there were also differing points of view on this historic event?

[Weiss] The SDL Executive Committee convened in February 1994, but a consultative meeting involving the chairmen of the district organizations was also held, at which the whole situation was discussed in detail. Three options were available last year. The first, to go into government with the Movement for a Democratic Slovakia [HZDS], received no support. The second, to create the conditions for an early election and let the HZDS govern until then, envisaged that, following the breakaway of a considerable number of deputies from the HZDS Club, we would support a minority Meciar government. The third option was what eventually happened after the president's address in March 1994—the formation of an alternative coalition government. This decision was made under specific political conditions. A vote was taken on this on 11 March 1994 in the Deputies' Club. A day later, the Executive Committee expressed its agreement with the course of action adopted by the SDL Presidium and its parliamentary club.

[PRAVDA] Did you discuss the possible options for development with the HZDS a year ago?

[Weiss] Consultations with the HZDS were held last October. The last of them took place during my fact-finding trip to France. We tried to conclude an agreement on holding an early election. The talks ended

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fruitlessly because they wanted a guarantee from us that the HZDS-Slovak National Party government would not be faced with a no-confidence vote before the election. This, in fact, involved signing a blank check: leave us in power regardless of how we govern. There are records of the talks with the HZDS and also of the meetings of the SDL bodies. The fact is, in March 1994, Mr. Kanis endorsed going into government with the HZDS.

[PRAVDA] One of the main reasons you did not enter into a coalition with the HZDS six months ago was its confrontational style of politics. Current developments do not indicate that the movement has abandoned such practices. How do you now view the feasibility of government cooperation with the HZDS?

[Weiss] As SDL chairman, I am obliged to defend the political line set by the Republican Council. It has determined the limits for our negotiations with the other parliamentary parties. It has decided that we will not exclude anyone from these consultations in advance and that we will familiarize ourselves with the stances of all of the political entities. In the current negotiations with the HZDS, a great deal is being said about guarantees ensuring that the new government's mandate will last for four years. In my opinion, these guarantees cannot be understood to mean that, no matter what the government does, it will have guaranteed support. If it does not gain enough allies and its measures lead to internal disputes within its own political organization, then, in a democracy, it cannot be surprised if a no-confidence vote is passed.

[PRAVDA] Consultations on forming a new government are one thing, while its specific program is another. Where do you see points of contact with the HZDS program, and where would it be necessary to make concessions?

[Weiss] We did not get so far in our talks. Incidentally, the HZDS chairman did not even take part in them. At the talks, Professor Kosnar was interested in this movement's ideas on putting together the budget. We also asked how they intend to fulfill the promises they made publicly to the voters, promises for which they had set a deadline in 1995. Specifically, this involves raising the salaries of university lecturers and scientists by 100 percent and reducing value-added tax to 6 percent. They told us that these statements were made at campaign meetings and that they only consider to be binding what is written in their policy documents. We will also deal with this issue at the Republican Council.

[PRAVDA] We have spoken about mistakes. Which step taken by the SDL do you consider to be the greatest mistake, and how do you intend to avoid a similar situation in the future?

[Weiss] The main mistake was that we allowed ourselves to be drawn into all sorts of parliamentary squabbles provoked by other political parties, and, because of them, we then met with people and explained our policy to them less often. As far as historical mistakes are concerned, historians will assess them best with the passage of time. In my opinion, the confrontational method of government, in particular, is a historical mistake and a loss for our young state. We must all strive together to deal with this problem so that government in Slovakia is a government of cooperation and a search for matter-of-fact solutions and so that it is not based on creating ever new images of enemies or traitors. It is essential—it goes without saying—not to return to the past and not to repeat our mistakes. The most important thing, however, is to look to the future. The local elections are the most immediate future for the SDL.

EU Membership Bid Planned for 2d Half 1995

LD3110124894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 31 Oct 94

[FBIS Translated Text] The Slovak Republic is planning to officially put forward its candidacy for joining the European Union [EU] in the second half of 1995. Slovak Foreign Minister Eduard Kukan announced this in Luxembourg today. He is attending a joint session of foreign ministers from the EU member states and the six associated states of Central and East Europe.

At the same time, Kukan expressed his conviction that the European Association Agreement will be sucessfully ratified by the end of this year. He added that, in Luxembourg, he intends to brief his European colleagues on Slovakia's attitude to the so-called strategy before joining, which is the subject of intensive discussion within the EU.

CR Exceeds Marginal Credit by $88 Million

LD3110150394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1400 GMT 31 Oct 94

[FBIS Translated Text] In October, the Czech Republic [CR] exceeded the marginal credit [mezny uver] outlined by the payments agreement with Slovakia by 73 million ECU's—that is, $88 million—and should pay this amount to Slovakia within 15 days. This is already the fourth time that the CR has exceeded the marginal credit.

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Prime Minister Requests Accelerated Privatization

LD3110190694 Budapest Kossuth Radio Network in Hungarian 1700 GMT 31 Oct 94

[FBIS Translated Text] Prime Minister Gyula Horn has called on the government commissioner for privatization to take steps as soon as possible to halt the sharp drop in the price of compensation vouchers at the stock exchange.

Gyula Horn stresses in his letter, that the privatization of the national utility enterprises must be speeded up in the interest of those entitled to compensation. The prime minister holds the view that in offering for sale the state assets to voucher holders a distinction must be made between the originally compensated individuals and their direct inheritors on the one hand, and the cooperatives and those who acquired compensation vouchers indirectly, on the other.

The drop in the price of compensation vouchers has been caused, among other things, by a decrease in the assets offered by the state for privatization and an increase in speculation in recent months, Horn states in his letter to the commissioner.

Similarly, Gyula Horn asked Agriculture Minister Laszlo Lakos, also in a letter, to prepare an amendment that would expand the circle of people who will be able to convert their compensation vouchers into life annuities. According to the proposal, the age limit of those involved should be reduced from 65 to 60. According to the prime minister, the current period of 90 days within which adjudication as to compensation entitlement must be made, should be extended to a year.

Finance Minister Says 'Sacrifices' Required

AU3110211694 Budapest NEPSZABADSAG in Hungarian 29 Oct 94 p 4

[Interview with Finance Minister Laszlo Bekesi by an unidentified correspondent; place and date not given: "Questions to the Ministers"]

[FBIS Translated Text] [NEPSZABADSAG] What have you achieved in the past 100 days, and what experiences have you gained?

[Bekesi] I have thoroughly learned about the real situation in the Hungarian economy and the oft-mentioned "heritage." Both what I have learned and the evaluation of it have been depressing. Together with my team, we have drawn up the 1994 supplementary budget containing the most essential modifications, and we have worked out our economic policy program for 1995, including the main guidelines for next year's budget; we have also formulated the strategic concepts of our economic policy for the next three years. I have had to realize that it is much easier to work out, announce, and accept a program than to implement it in practice.

[NEPSZABADSAG] What have you failed to achieve?

[Bekesi] I have failed to make people understand and accept the basic truth that it is impossible to carry out all the positive elements of the government program in one year, and that considerable determination and sacrifices are needed for economic restructuring, something that precedes an increase in the living standard. It saddens me that preventing economic deterioration and improving the economic balance is becoming the task of a single person and that it is only the finance minister whose decisions harm people's interests, while most political forces only support popular decisions. I think the preparation of concrete economic decisions is too slow.

[NEPSZABADSAG] To what extent have you made changes to your apparatus, how many people have been replaced, and do you plan any personnel reductions?

[Bekesi] The reorganization of this ministry's leadership has already begun, but is not yet finished. I have only carried out two or three changes so far, but the organizational modernization of our ministry requires larger modifications. The new structure of our ministry will be "streamlined" and this will probably involve a reduction in personnel.

Cultural Minister on Government's First 100 Days

AU3110191794 Budapest NEPSZABADSAG in Hungarian 28 Oct 94 p 7

[Interview with Education and Culture Minister Gabor Fodor by an unidentified correspondent; place and date not given: "Questions to the Ministers"]

[FBIS Translated Text] [NEPSZABADSAG] What have you achieved in the past 100 days, and what experiences have you gained?

[Fodor] I think that the most important result of the past 100 days in my area is that we have begun this ministry's work on the basis of a new concept, toward trends that serve development and bourgeois civilization, such as the efforts aimed at accepting the national basic educational curriculum and concluding the relevant debates, as well as the program on modernizing public education, a program that is to rely on the talents of Hungarian teachers and scientific experts. I see as particularly important the start made in working out the principles and strategy of higher educational development, an all-national interest. In the area of cultural support, we would like to preserve the values and strengthen the cultural support structure based on autonomy.

[NEPSZABADSAG] What have you failed to achieve?

[Fodor] I am particularly sorry that we have not yet succeeded in achieving a breakthrough on the media law issue and that the coalition partners have failed to come to an agreement. I also find it an essential problem that there are still unclear factors in the government's activity. Our own lack of experience can explain all this, but it is no excuse. We must change this at all costs, and keeping to deadlines is a matter of key importance.

[NEPSZABADSAG] How much have you made personnel changes, how many people have been replaced, and do you plan a reduction in personnel?

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[Fodor] Almost all the top leadership of this ministry has been changed. Considerable changes have also been made at the level of departmental heads. I think we have formed an efficient team ready to carry through our concepts. I am proud of most of the workers in this ministry, who behaved exemplarily in the difficult period of the change. At the same time, in accordance with the principles of the government's program, we accept the necessary rationalization, even though the tasks of the ministry have increased considerably.

Opposition Official on Government's Foreign Policy

AU3110191894 Budapest UJ MAGYARORSZAG in Hungarian 28 Oct 94 p 10

[Interview with Gyorgy Csoti, parliamentary deputy for the Hungarian Democratic Forum and member of the Parliamentary Foreign Affairs Committee, by Laszlo Fabian; place and date not given: "Idleness Behind the Foreign Policy Bustle"]

[FBIS Translated Excerpt] [Fabian] What does the balance sheet of the first 100 days of government show?

[Csoti] The foreign policy line of the new government is identical to that of the Antall cabinet. Therefore, I have nothing against the goals formulated in the government's program. However, I have plenty against the practical implementation of these goals. The Hungarian Socialist Party was still only preparing for the election campaign when it had already made contradictory statements, first of all about the European integration process and later about good-neighborly relations and ethnic Hungarians living beyond our borders. It is very strange that both the prime minister and the foreign minister are making statements that run counter to the integration process. It is unfortunate that the Hungarian prime minister, who claims to be committed to NATO membership, declares that Hungary does not have any chance at all to become a NATO member. [passage omitted]

The new government has also hastened to say that it will soon be able to come to terms with our neighbors and will hold successful negotiations, because this government is not led by historical resentment.

[Fabian] This seems a rather unilateral idea: If we negotiate without historical resentment, and this would be all right, then the other side will go on the offensive. Take, for example, Funar's [Romanian nationalist mayor of Cluj in Transylvania] recent statements.

[Csoti] I do agree that we should shake off our sulkiness. Historical grievances should be examined by the historians. It is the task of politicians to work on the future, by starting from the realities while being aware of the historical background. This, however, needs partners. Let us not speak only about Funar and extremist forces, even though they are represented in the Romanian Government. Let us start from what the Romanian president and foreign minister say. Both strictly reject the demands made by the 2 million Hungarians living in that country (Slovenia's entire population is 2 million, and Estonia's is a 1.5 million). Some 2 million people cannot be swept aside in Europe. Nor can this be done to a nation of 15 million people, almost every one of whom is in some way affected by this problem. Iliescu and Melescanu [Romanian president and foreign minister, respectively] have declared that the demands of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] are unacceptable and unrealistic. No separate university and no reopening of the Hungarian Consulate in Kolozsvar [Cluj]. Then the Hungarian Government responds to this by saying that they will solve the problems quickly because they will negotiate in a different style. Entertaining such illusions is extremely dangerous, both toward the West and toward domestic public opinion. This is why I see this as a loss of prestige. Melescanu and his Hungarian counterpart Laszlo Kovacs were smiling in vain. It is customary to smile in diplomacy. However, the results will be seen later, and not in the smiles. Will foreign capital continue to stream into Hungary? Unfortunately, it is not coming. There is no progress in this area. This was justified during the election period, but it is still a problem four months after the elections. [passage omitted]

The Hungarian foreign minister keeps saying that Hungary will only be accepted into Europe if we settle relations with our neighbors. I would like to draw the attention of the honorable Hungarian foreign minister to the fact that Ireland was accepted into the European Union [EU] before it settled its problems with Great Britain. Greece has also been accepted into the EU, and the Greek-Turkish dispute is no smaller than the Hungarian-Romanian one. Both countries were also accepted into NATO. No peace would have emerged in Cyprus 20 years ago, if both countries had not been NATO members.

[Fabian] Romanian diplomacy seems to see hesitancy with Mr. Melescanu saying that Hungary's chances of joining the EU are no better at all than Romania's. He knows exactly what can keep Hungary out. We must also be careful about the reaction of the West. Jozsef Antall drew attention to the dangers of a Balkan conflict at the right time, but no one bothered to listen.

[Csoti] Unfortunately, no one listened to Jozsef Antall for years. From the very beginning, Antall asked the West to recognize Croatia and Slovenia, because controversial issues can only be dealt with if they show determination. National issues cannot be treated selectively, namely what is valid for the Baltics is not valid for Yugoslavia.

The present Hungarian prime minister hastened to declare that he is the prime minister of 10 million Hungarians. This was a very bad message for the ethnic Hungarians living beyond our borders; it must also have sounded bad for a nation whose every third member lives beyond this country's borders. We must not disregard their interests. The government must accept this responsibility. They tried to prove that things are different, because they also met and negotiated with Laszlo Tokes. [passage omitted]

This government spent its first 100 days consolidating and spreading its power. It is not dealing with the

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economy and, actually, it is not dealing with foreign policy, either. [passage omitted]

Defense Minister on Air Defense Development Plans

LD3110204094 Budapest MTV Television Network in Hungarian 1830 GMT 31 Oct 94

[FBIS Translated Text] Minister of Defense Gyorgy Keleti has announced that within the next eight years the defense leadership wishes to spend 15 billion-20 billion forints on the development of air defense. He said this at a staff meeting where the new air defense and aviation chief inspector was named as Major General Tibor Szegedi.

The minister holds the view that although development of the Air Force cannot be deferred, the force is able to fulfill its duties.

[Begin Keleti recording] First of all, we would like to implement the development of the radio technical system over a long term. Even the planning of this will take a year or two, which will then be followed by the instalment of the system. We are talking about 15 billion-20 billion forints, but it is a staggered development, phased over five or six years. [end recording]

The new inspector who is responsible for combat readiness, officer training, and the entire personnel of the Air Force is more dissatisfied than the minister.

[Begin Szegedi recording] We are not delighted with it [the current radio systems of the Air Force] because, from the point of view of its technological standard, it is a generation—several decades—old, thus ready for replacement. [end recording]

Keleti awarded the outgoing inspector with an ornamental saber in recognition of his work. A farewell was said not only to Maj. Gen. Bela Balogh but also to Colonel Andras Kovacs who, until now, was in charge of flight security. This was the last time that Janos Deak appeared in his capacity as chief of staff, because from tomorrow this post will be filled by another officer. Deak will remain the commander of the Army.

MiG-29 System Planned

LD3110150594 Budapest Kossuth Radio Network in Hungarian 1300 GMT 31 Oct 94

[FBIS Translated Text] The Hungarian Army will spend nearly 1 billion forints on developing an ancillary system of MiG-29 fighters.

Defense Minister Gyorgy Keleti has also announced that a plan for the modernization of the Air Force and air defense will be prepared early next year. Gyorgy Keleti has appointed Major General Tibor Szegedi as the Hungarian Army's new air defense and aviation chief inspector.

Officers Accused of Endangering Combat Readiness

LD3110232194 Budapest MTV Television Network in Hungarian 1830 GMT 31 Oct 94

[FBIS Translated Excerpt] The principal defendant in the case of the so-called oil-adulteration [olajszoekites] scandal the trial of which began today, claims to be innocent. According to the bill of indictment, soldiers and employees participating in the sale of the products received significant sums of money, while the sale of the adulterated oil has caused the loss of several hundreds of millions of forints for the Hungarian Army.

[Unidentified correspondent] [Passage omitted] In the so-called Army oil affair trial there are 36 defendants and 22 attorneys will defend them. Among the accused are the former heads of the Army's fuel supply services, commanders of fuel depots, high-ranking professional officers, and heads of various limited companies.

Since this is an Army matter, the hearings have been classified as top secret, therefore, the trial is being held behind closed doors. [passage omitted] The military court accuses Colonel Arpad (Dosa), the former commander of the Army's Fuel Supply Center, of nothing less than endangering combat readiness on 102 occasions, breach of duty on several occasions, bribery, misappropriation of materiel leading to particularly great financial losses, tax evasion, and fraud.

The other defendants are accused of the same charges and corruption. More than 20 cases, all of which have caused great financial losses for the Army, are included in the complicated lawsuit. [passage omitted]

According to the military prosecutor, the Army's high-ranking leaders will also have to be heard in the case. [passage omitted]

According to the indictment, significant shortages have occurred in the Army's war reserves. For example, the stocks in Ocsa were short of 83 tonnes of aircraft fuel, 287 tonnes of 78-octane gasoline, and more than 1,300 tonnes of gas-oil over a period of two years. [passage omitted]

Military Map Makers Strive for Computer Data Base

LD3110201194 Budapest Duna TV in Hungarian 1700 GMT 31 Oct 94

[FBIS Translated Excerpt] Hungarian military cartographers organized a scientific conference in Budapest. The future of military cartography and the Hungarian Army's related tasks were, among other things, discussed at the conference. [passage omitted]

[Begin Colonel Jozsef Cseri recording, head of the military cartography service] This is the beginning of a new era. Traditional, old cartography methods are still present in our work, but I believe we also possess the technology of the 21st century. The expertise of our specialists is accompanied by hardware that uses computers as an everyday partner and we hope that in a short period, for the first time in the Hungarian Republic, we will be ready with a computer assisted digital cartography data base that will be the foundation of the future. [end recording]

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Constitutional Tribunal Reviews Olechowski Case

WS0111123994 Warsaw GAZETA WYBORCZA in Polish 31 Oct-1 Nov 94 p 3

[Article by (wrab): "What Can the Tribunal State?"]

[FBIS Translated Text] *Contrary to an announcement the Polish Press Agency PAP made on Friday, the prime minister did not ask the Constitutional Tribunal whether state officials who did not observe the wage law dated July 1981 violated the law. We learn from Janusz Wojciechowski, under secretary of state at the Office of the Council of Ministers [URM], that the prime minister did, however, ask for a legal interpretation.*

The inaccurate report confused Andrzej Zoll, head of the Tribunal, who told the television "News" on Saturday that an application formulated in such a way was beyond the competence of the Tribunal and could not be investigated (with the restriction that the prime minister's request had not yet reached him).

"The prime minister's request is very precise. It asks for an interpretation of Article 4, Paragraph 2 of the law," says Wojciechowski, who is responsible for legislation within URM. The provision states that a state official who performs any other functions may receive only one salary, which he may choose. The prime minister wants the Tribunal to state whether official involvement with a company should be treated as performing another function, as laid down by the law.

"It remains unclear to the prime minister whether remuneration for work on a supervisory board is to be treated as a regular salary," adds Wojciechowski.

The prime minister approached the Tribunal when Foreign Affairs Minister Andrzej Olechowski handed in his resignation after his name had been placed on one of Cimoszewicz's lists. The Minister of Justice accuses Olechowski of receiving a salary for membership on the Supervisory Board of the Trade Bank (Olechowski was delegated to the Trade Bank in November 1991, when he was deputy head of the Ministry of Foreign Economic Cooperation).

After the prime minister appealed to the Tribunal, Olechowski announced that he would withdraw his resignation if the Tribunal stated that he acted legally.

RZECZPOSPOLITA Comment

WS0111104794 Warsaw RZECZPOSPOLITA in Polish 28 Oct 94 p 5

[Editorial comment by Krzysztof Gottesman: "In Anticipation of 'Clean Hands'"]

[FBIS Translated Text] Foreign Affairs Minister Andrzej Olechowski has resigned. He presented his reasons in a special statement, saying that the prosecutor general had questioned his honesty, with the prime minister's approval, by publishing the so-called clean hands list. It is difficult not to agree.

The campaign launched by Cimoszewicz in August, which has been inadequately labeled "clean hands," was unmistakably of a political character. It was to show the public that here we had a new coalition that would stamp out corruption that the Solidarity government had left behind. The political climate for such a campaign was undoubtedly favorable. The economic transformations do have a pathological side to them. The point is that this is due to the political system within which the process takes place. Cimoszewicz, however, ignored this. He presented the public with a list of state officials as if saying: "Here you are. These are all the dishonest officials. You know the rest." Instead of emphasizing the necessity of amending the outdated law from 1981 and the equally inappropriate laws from 1992, instead of striving to introduce a State Treasury law, he decided to shock the nation with the high incomes of state officials.

This does not imply that it is proper for Olechowski to take responsibility for the Bank of Commerce, for the head of the Office of State Protection to be a board member in the Polish LOT airline, or for the deputy minister of labor to be a board member in the Katowice Steelworks. It does, however, have to be kept in mind that these individuals represented the State Treasury and entered these institutions for reasons other than personal decisions.

The move made by Cimoszewicz is easy to explain. He is reaping political profits for himself, his party and, to a lesser degree, the governing coalition. With the coming presidential election in view, his campaign is also aimed at Lech Walesa. Cimoszewicz wants to demonstrate that he will be the one to "get thieves running in their socks."

Cimoszewicz's campaign did not solve the problem of corruption in Poland. It has brought up a different matter and, because of its populist appeal, has only obscured the central issue further. A "clean hands" program is still required to root out corruption.

ZYCIE WARSZAWY Comment

WS0111111994 Warsaw ZYCIE WARSZAWY in Polish 28 Oct 94 p 1

[Editorial comment by Bronislaw Wildstein: "Clean Hands and Pure Intentions"]

[FBIS Translated Text] "Clean hands" is the name of a campaign carried out in Italy that shed light on the corruption of politicians who had clearly violated the law to obtain gigantic personal gains and party profits. The fact that the name is completely inadequate for the campaign undertaken by Deputy Prime Minister Cimoszewicz became evident after the first act. It is inadequate not only in terms of the scale of events, but also because of a lack of clarity of legal qualifications.

Even the deputy prime minister's statements do not explain clearly whether politicians on his list violated the law or merely rules of conduct.

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In the case of the law, lack of clarity benefits the accused. Rules of conduct, however, do not develop overnight. If it was a generally accepted principle that high state officials may make extra money in supervisory boards to compensate for their low salaries, one can hardly pillory them for it. Of course, there are inadmissible cases—for instance, when the head of the Antimonopoly Office sits on a monopolist's supervisory board. But this does not apply to Minister Olechowski.

He has displayed great competence and won worldwide acclaim in the field of diplomacy. His resignation shocked international opinion. From the very beginning, the campaign launched by Cimoszewicz raised suspicion that it was designed to go after the Solidarity camp, which had ruled for the past four years. The resignation, to which Olechowski had consulted with the president, will bring about a crisis within the Ministry of Foreign Affairs and might backfire at its initiators—Like the whole "clean hands" campaign.

Incident at Warsaw Train Station Echoes in Russia

WS3110160494 Warsaw RZECZPOSPOLITA in Polish 29-30 Oct 94

[Article by Moscow correspondent Piotr Jendroszczyk: "Zhirinovskiy Accuses the Polish Police"]

[FBIS Translated Excerpt] *The beating up of Russian citizens at the Eastern Railway Station will probably have an epilogue at the National Duma, which passed a resolution yesterday putting Foreign Affairs Minister Andrey Kozyrev under obligation to report to the deputies on the protection of rights of Russians traveling abroad. A motion on this issue was made by a deputy from Vladimir Zhirinovskiy's faction, outraged by the fact that five Russian citizens had been beaten up in Poland.*

The issue is becoming more and more known in Moscow. On Wednesday, a report appeared on Moscow television for the first time, as well as in some minor papers like the daily TRUD. KOMSOMOLSKAYA PRAVDA published only a small agency report. On Thursday, at a briefing at the Ministry of Foreign Affairs, Grigoriy Karasin, head of the Press and Information Department, informed journalists about the protest the Russian Embassy in Warsaw lodged with the Polish authorities. The serious daily IZVESTIYA has also taken up the topic. [passage omitted]

The IZVESTIYA article is not the last we will hear of the incident. As RZECZPOSPOLITA discovered, Moscow television is preparing an extensive report on the events that took place at the Warsaw railway station. On the eve of Prime Minister Chernomyrdin's visit to Warsaw (3-4 November), Poland is not going to get good press in Russia.

Commentator Sees 'Hidden Bottom'

WS3110152294 Warsaw GAZETA WYBORCZA in Polish 31 Oct-1 Nov 94 p 1

[Commentary by Wojciech Maziarski]

[FBIS Translated Text] Conflicts of this sort make one look for the "hidden bottom." Maybe Moscow wants to secure a stronger foothold ahead of Prime Minister Chernomyrdin's coming talks in Warsaw. Or perhaps, as one NATO official speculated in a conversation with a GAZETA WYBORCZA correspondent, Moscow has an interest in emphasizing the anti-Russian feelings among Poles. The potential broadening of NATO is accompanied by assurances from the West that it is not directed against Russia. The Russians can now say: "What do you mean it is not?" "Just look at what the Poles are doing!"

Perhaps this is a reflection of the domestic struggles in Russia. The government, attacked by nationalists from all sides, is trying to prove it is defending the dignity of Russians.

Most probably, however, the consulate employee [who allegedly witnessed the incident] did not want to summon his boss to the railway station on 23 October. The tourists stopped the train, the police resorted to force, probably excessive, and one of the police officers said something offensive (an investigation is under way, and it can be expected that the perpetrators will be arrested). The consulate employees realized they had made a mistake by not summoning their boss and, to conceal the fact, exaggerated the story. This is how it became an international scandal.

It is a shame that some Russian papers have jumped on the story so eagerly, convincing the Russians that Poles hold them in contempt. That is a lie. In recent years, millions of Russians have come and continue to come to Poland. Considering the numbers, there are surprisingly few conflicts of a nationalist nature.

Poll: Popularity of Walesa, Pawlak Decreasing

WS0111112694 Warsaw RZECZPOSPOLITA in Polish 28 Oct 94 p 5

[Public opinion poll report by K. Gr.: "Falling Down"]

[FBIS Translated Text] *The bad luck streak of Lech Walesa and Waldemar Pawlak continues. Polls show that the popularity of both politicians is decreasing. In October, popularity votes were the lowest for this year. Seventy-one percent of Poles do not approve of the way Walesa performs his duties as president. Forty-nine percent do not approve of the way Pawlak fulfills his duties as prime minister.*

In comparison with August, the prime minister has 11 percent more opponents, having lost 7 percent of his supporters. Over the same period, the president has 9 percent more opponents, having lost 7 percent of supporters.

Both are losing popularity, but there are still strong differences in their ratings. The prime minister has far more supporters and fewer opponents than the president.

He is currently supported by one in three Poles (30 percent of respondents approve of the way he performs

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his duties; in April, which was his best month this year, he had the approval of 40 percent of Poles). The president is supported by one in seven Poles (14 percent approve of the way he performs; in January, which was his best month this year, he had the approval of 28 percent of Poles).

The group least critical of Walesa includes people above age 59 with elementary education (which still accounts for 64 percent). It is interesting that the group most strongly approving of Walesa is made up of private enterpreneurs (25 percent) and management staff (20 percent). Here he even beats the prime minister, who has the fewest supporters in this group. The president is supported by 47 percent of people approving the Nonparty Bloc in Support of Reforms, 40 percent of people approving Solidarity, 33 percent of people approving the 11 November Agreement, and 25 percent of people supporting the Alliance for Poland. Naturally, his strongest support group includes people approving the Democratic Left Alliance [SLD] and Union of Labor, but also the Polish Peasant Party [PSL] (80 percent) and the Freedom Union (76 percent).

The prime minister, similar to the president, enjoys most support among people with elementary education and is most strongly disapproved of by people with higher education. He is supported by 54 percent of farmers but disapproved of by 27 percent. He is not popular among supporters of the SLD, the party forming the coalition government with the PSL. Among the latter, 36 percent approve of the way he performs his duties, while 47 percent do not.

Every fifth Pole found it "difficult to say" whether he approves of the way the prime minister fulfills his duties, and every seventh Pole replied likewise when asked about the president.

It may be assumed that the political chaos that set in is harmful to the politicians. Walesa loses out on the hyperactivity he has recently begun to display, Waldemar Pawlak on his inactivity. At the time the poll was carried out, both politicians were in the United States. It was being reported that they avoided one another during the visit. The prime minister's popularity ratings probably plunged further after it was disclosed that he was using the services of two private corporations while traveling in the United States.

Do you approve of the way Lech Walesa is fulfilling his duties as president?

	Jan	Oct
Yes	28 percent	14 percent
No	55 percent	71 percent

Do you approve of the way Waldemar Pawlak is performing his duties as prime minister?

	Jan	Oct
Yes	38 percent	30 percent
No	27 percent	49 percent

* * *

The Social Research Laboratory in Sopot carried out the poll on 22-23 October on a sampling group of 1,040 people representative of the population of Poland.

Senate Role Vis-a-Vis Sejm, Self-Government

95EP0003A Warsaw ZIELONY SZTANDAR in Polish No 38, 18 Sep 94 pp 1, 4

[Interview with Adam Struzik, speaker of the Senate, by Krzysztof Nerc; place and date not given: "Out of the Shadow of the Sejm Into the Light of Self-Government"]

[FBIS Translated Text] [Nerc] Mr. Speaker: The Senate, it seems, is functioninng in the shadow of the Sejm. It is spoken of only sporadically—at such times, for example, as when the housing law passed by the Sejm is rejected. Then the lower chamber passes what it wants to anyway. Isn't this discouraging to the senators in their work?

[Struzik] In democratic institutions, it is not a matter of obtaining personal satisfaction. In the work of the Senate, it is important that, in the final phase of constructing a law, a product emerges that contains the least number of defects. The work on a law we are discussing or amending or even rejecting, and the Sejm again passes, brings specific benefits. If not at a given moment, then after some time, the intellectual effort that the Senate puts into it will be utilized. We are not competing with the Sejm about who is wiser in producing a law. We are simply another element in improving it. Approximately one-third of the amendments introduced by the Senate are accepted by the lower chamber.

[Nerc] But opinions as to whether there is a need for the Senate, and its role, differ. There are even those that deny its very existence. The fact that recently you, Mr. Speaker, and individual senators are talking more and more about the need to transform the Senate into a Self-Government Chamber—is that not connected with the fears that are resulting from this state of affairs?

[Struzik] Definitely not. We have not the slightest doubt that the Senate is essential. This is easy to prove. We believe, however, that the Sejm's formula could be improved. It is obvious that the upper chamber is a politically faithful reflection of the Sejm, but the voters decided this. We believe that the Senate could be put on a better course and, by doing so, increase its effectiveness.

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We see such possibilities in self-governments, in increasing the presence of self-government activists in the Senate and making it easier for them to have access to the higher chamber. Self-government is an important area in the building of democracy, and right now there is no institution, no appropriate forum, at which self-government activists, people who are also competent in many fields, could translate their experience and knowledge into the language of the law.

Democracy is built on many levels, from parliament to gminas, but also through the functioning of economic and professional self-governments, foundations, associations, and so forth.

[Nerc] The concept of transforming the Senate is beginning to take on a more concrete form. In your opinion, on what would these changes generally be based?

[Struzik] The least important is the name, although we are proposing that it be "Senate Higher Self-Government Chamber." The election method would remain a majority vote. For a candidate to be elected, he would have to have the support of the self-government community he will represent. These would be something on the order of primary elections. It is not at all easy to get such support. A future senator would have to pass through a screening process—an evaluation by his professional colleagues or coworkers. There should be no basic change in legislative powers. But in some closely defined groups of decisions pertaining, for example, to the functioning of self-government, it should have greater "instigating powers." The Sejm could overturn a decision of the Senate not by the usual majority vote but by a two-thirds vote, for example. In particular cases, even the consent of both chambers would be required.

[Nerc] In other words, you want to simply strengthen the role of the Senate in comparison with its present position. The deputies might not like this.

[Struzik] We do not want this strengthening everywhere, only in certain areas. We do not intend to interfere in the formation of a government, but, if there were self-government activists in the Senate, they should have a greater influence on the creation of a law regulating the functioning of the nongovernmental area.

[Nerc] Elections to the gmina councils were held recently. The quarrels about filling the mayoral posts of some towns are still going on. It appears that political disputes are most important. What is your opinion on this subject? After all, you have had experience in self-government work. You were and still are a council member.

[Struzik] Where there is democracy there is discussion, and politics creeps in. In smaller communuties, it was possible to vote for people. In towns, a party had to be chosen, or an elections committee, because the candidates were, as a rule, anonymous. It is true that in large cities political deals came to a vote, but these elections were less politicized than those in parliament. Those are the laws of democracy, and we can only suggest that, in the future, politicians standing for elections to gmina councils not hide in committees bearing various unintelligible names but appear under the colors of their parties. This will simplify the task of the voters, and the politicians will have easier work after the elections.

[Nerc] Self-governments have the most to do, as you already mentioned, at the local level, in their gmina, but they have, or could have, a lot to say at the national level through their representation, which is the National Self-Government Small Sejm. This issue becomes particularly important in light of the plans to transform the Sejm, which we have already mentioned.

[Struzik] Yes, but first they must have a stronger position in the voivodship. And that, contrary to the thesis on the need to form counties, is not risky. Self-governments on the voivodship level thus far have performed an ornamental role. That was the nature of their powers. It is paradoxical that those who talked so loudly about the role of self-governments gave them so little power. Now, when it appears that their representation in self-governments has shrunk, they are beginning to talk about self-governments as...unofficial bodies.

So let us stop talking about self-governments and allow them to function. Let us give more powers to the gmina and voivodship councils. Then the role of the National Self-Government Small Sejm will also become larger. But it cannot be, as had been attempted, the representative of a single party. The Small Sejm is not owned by anyone, and no party has a monopoly on its activities. The Small Sejm must have an actual influence on the law as it is constituted. Bringing the Small Sejm closer to the Senate may contribute mightily to this. The collaboration of the Small Sejm and the Senate already now, before possible transformations of the higher chamber occur, may bring measurable benefits. The Senate may come forth with such legislative initiatives as the self-governments deem necessary.

At present, delegates to the Small Sejm can only complain, but what does this change?

[Nerc] The speaker of the Senate can play a big role in bringing the Senate closer to the Small Sejm...

[Struzik] ...especially if he is a self-government activist. I am in my fourth term as a councillor—and I consider that to be an honor. Therefore, I have the necessary experience, and I began my political activity in the gmina, not in the parliament. In standing for election in the Gabina Gmina council now, as speaker of the Sejm, obviously I took a risk. I risked a great deal, but I was elected councillor with a decent number of votes, which was not to the liking of some newspapers and those at their political disposal, and so they wrote that I was lucky. Being also a delegate to the National Small Sejm, I can be a natural link between these two democratic institutions.

[Nerc] The PSL [Polish Peasant Party] became stronger in self-government, therefore it is logical that it will want

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to have its representative in the leadership of the Small Sejm, maybe even on the highest level. There is talk that you will be that candidate.

[Struzik] The question of assuming particular functions is always an open matter. I will admit that this is possible, but the answer to the question whether combining these functions will be good for both the Senate and the Small Sejm is also important. If it happens that my candidacy is proposed...

[Nerc] And is voted through...

[Struzik] ...then I will have to work even harder. Certainly we could not talk about full integration of these institutions, but cooperation would be easier. I already mentioned my experience in self-government work and think I could put it to proper use. Functions in the Small Sejm should not be regarded as political positions. I will certainly congratulate every delegate to whom I lose, but we are probably speculating prematurely. I really do not lack for work in the Senate.

[Nerc] Slightly changing the wording of a well-known politician, I would comment briefly: You want to, but you do not have to. Finally, allow me to ask you a question that strays from the subject but is probably interesting: It is true that the presidential election is still a few months off, but some of the parties are already campaigning. The statutory bodies of the PSL have not yet announced their position on this question, but part of the opposition press is already speculating. The latest speculations are that Prime Minister Pawlak will support Lech Walesa and that you will stand as a "rabbit"—that is, a candidate who must lose. What do you say to that?

[Struzik] I like rabbit pie, so I can appear only as a consumer. Press speculations, completely fabricated, were formerly characteristic of the cucumber-harvesting season, but in some newspapers they are now harvesting cucumbers all year long. All I can say is that I hope they do not overtire themselves.

Speaking seriously about the presidential election, I think President Walesa will have some worthy competitors. The political parties will choose them, and the president will be elected by the people. As you remarked, the PSL has not yet spoken out on this issue and still has a lot of time in which to do so.

[Nerc] Thank you for the interview.

First-Half 1994 Economic Results Explained

95EP0002A Warsaw GAZETA PRZEMYSLOWA I HANDLOWA in Polish No 21-22, 30 Aug 94 pp 1-2

[Article by Dr. Mieczyslaw Kaminski: "Statistical Information: The Economy in 1994"]

[FBIS Translated Text] Positive trends in the Polish economy have emerged more clearly in the first half of 1994 than last year. Chief among these is the stabilization of unemployment, a slower rise in prices, highly dynamic production, and a certain revival of exports and investment. Are these signs of a more permanent upward trend?

1. The labor market this year is more calm, and changes in registered unemployment are less volatile than last year. In months two to five, the number of unemployed fell by over 130,000, and the unemployment rate (the relationship of number of unemployed to the number of people actively employed) fell from 16.1 percent to 15.5 percent. The pump that is employment activity has begun to draw in more workers than it expels. There are more people dropping from the unemployment rolls than there are new registers.

The trend in registered unemployment does not have an unambiguous economic or social meaning, if only because of seasonal changes or of overeager registrars. The seasonal nature was evident at the beginning or 1992 and 1993, when there was a lower number of new registrations. With a more or less constant number of people dropping from the rolls, there was a temporary decline in unemployment. After the outpour of new school graduates, the ratio of new registrations to deregistration usually undergoes drastic changes. This year, this situation is beginning to recur. The number of new registrations doubled in June (262,700 against 136,200 in May), with a larger registration of graduates than a year ago. Because the number of deregistrations did not change greatly, the number of unemployed rose by 90,500 in June and by 49,000 in July. The unemployment rate grew to 16.9 percent. The number of unemployed increased by a total of 92,000 this year, while, in the comparable period last year, the number grew by over 300,000.

Changes in wages, the other basic characteristic of a labor market, do not pose any inflationary threat. Despite suspension of the tax on above-the-plan growth of wages, wages grew at a moderate rate (close to that of inflation) and insignificantly surpassed the level of last year's wages expressed in real terms.

Social benefits (pension and disability payments, social security payments, and unemployment benefits) grew faster than wages. This was related to the double valorization of pension and disability payments (in March and June), taking into account the raising of these benefits to 93 percent of the average wage; with the rise of the lowest pension and disability payments in January; and with the rise in unemployment benefits. The buying power of these benefits reached the level of the first half of last year.

The average net monthly wage (after subtraction of estimated income tax) in industry came to 4,224,300 zlotys in the first half of the year. This was 35.9 percent higher than last year, or 3.6 percent in real terms. The highest rise was in mining and energy (electric, gas, and hydro). However, wages did not become a factor accelerating inflation, despite the lack of control over their increase.

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2. Inflation died down in the first half of 1994. While it is still high, it is lower than in previous years. The rate of increase in prices of goods and services, generally accepted as the simplest measure of inflation, lowered from 36.7 percent in the first half of 1993 to 31.3 percent this year (or from 2.5 percent monthly to 2 percent). A lower rise in food prices, especially of dairy, eggs, and produce, was a factor limiting the growth in consumer prices. There was a clear decline in the rate of growth of consumer prices in July (1.5 percent). This was accounted for by changes in prices on nonfood items. If the present rate is maintained in the second half of 1994, the increase in consumer prices will be 10 percent less than in 1993. In order not to fit the planned inflation rate for this year (23 percent), the rise in prices in the remaining months must not exceed that of July. This is an unusually rigorous condition.

3. Productive activity remained high, at a level higher than that of 1993. Preliminary estimates are that the GNP grew in this period by over 4 percent. Industry, whose share in the GNP is over 365 percent, played a fundamental role in this growth. Industry's sold production, which is the basis for calculating added production, surpassed last year's level by approximately 10 percent in the first half of the year (in units employing more than five workers). The largest increase was in manufacturing (by 11.9 percent). Within this category, the largest increase was in the production of foodstuffs, textiles, and chemicals. In enterprises producing mainly consumer goods, production rose by about 15 percent, while that of supply goods rose by 12 percent and that of capital goods by 7 percent. There was an insignificant decline (0.8 percent) in production in mining.

Construction and assembly stayed at last year's level. Despite growth in the first and second quarters of this year, it did not surpass the level of the first half of last year. This is due to its unusually high growth in the second quarter of 1993 as investors and producers sought to show as much production as possible before the introduction of the VAT [value-added tax].

Production processes in agriculture tended toward the favorable in the first half of the year. Despite the summer drought, last year's grain harvest might be achieved, according to estimates. The harvest of root vegetables will be lower.

The June census indicates an ongoing rebuilding of swine and cattle herds. The increased supply of feed after last year's favorable harvest stimulated a price decline in the second half of 1993 and stabilization in the first half of 1994. The increase in the price of cattle at market during this period, caused by a lowered head count, created a favorable price situation for animal breeding. It allowed farmers to rebuild their swine and cattle herds to the level of June 1993. The number of swine in June of this year was 19 million, compared to 17.5 million last December and 18.9 million one year ago. The count of cattle was respectively 7.6, 7.3, and 7.6 million. An increase was recorded in the so-called developmental groups (piglets, breeding sows, and young cattle). In the commodity groups (fattened pigs and piglets), the count is still significantly lower than a year ago. As a result, the supply of live pigs to market still remains at a relatively low level for the second half of 1994, and the effects of the rebuilding of swine herds on supply can be expected only in the first quarter of 1995.

4. Who has bought the increased production? The answer to this question has decisive meaning in a market economy because demand determines production. After half a year, however, it is not possible to define precisely all components of final demand. It is possible only to identify the most important sources of domestic and foreign demand.

The most recognized part of potential consumer demand is income from wage labor and social benefits. The real value of these sources remained at a level close to last year's. Thus, they are not the ones to absorb increased production. Less recognized at this stage of national economy calculation are the income and expenses of people who are self-employed. The increase in the first half of this year of physical-person establishments (by 4 percent), of civil corporations (by 8 percent), and of commercial-law corporations (by 7.5 percent), as noted in the REGON [expansion unknown] register, are indirect indications of the increase in the earnings of the owners and employees of such units. Information about the earnings of this group is not gathered in quarterly and semiannual periods.

The growth in real earnings from agricultural production can be estimated on a similarly uncertain basis. The larger (by 40 percent) purchase of grain than last year, with prices remaining unchanged, is one of the sources of farmers' income. Another source, much richer than the first, is the increase in prices on marketed swine by 80 percent during this period (with sales down by 20 percent) and on cattle by 60 percent (with sales down by 10 percent). These two items do not account for the entire cash income of farmers but are decisive because they constitute 60 percent of that income.

Investment demand revived from January to June. Investment outlays in examined large units were 14 percent higher than last year in constant prices. In small units (which were not examined), investment activity has so far been greater.

Outlays for investment purchases involving industrial production increased by 26 percent in this period. This revival of investment is a positive occurrence because the possibilities for noninvestment growth through fuller use of existing manufacturing plant are not great. Meeting competition and the demands of the market will not be accomplished without a fundamental modernization of that plant.

The growth of exports was relatively high. In payment terms (as measured by the Polish National Bank), it increased by 17.5 percent; in terms of goods (as indicated in SAD documents), it increased by 49 percent in current

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prices and by about 20 percent in constant prices. The rate of increase of imports, meanwhile, weakened markedly in comparison with 1993.

5. Economic growth has turned out to be relatively permanent, but it is becoming more and more difficult and threatened. The permanence is shown by the period of over two years so far. The progressive adaptation of enterprises to the market and the productive processes in industry and agriculture (the rebuilding of animal herds, the level of cultivation) indicate a potential for the GNP to grow by about 4 percent in 1994.

The difficulties of growth have a historical basis. After the 'cleansing' shattering of industry in 1990-92, it was easier to rebuild production in existing factories. Now, the simple reserves are much more modest, while the difficulties arising from unemployment, inflationary spirals, and the foreign market will multiply. Particularly noticeable in the case of unemployment is the influx of 1994 graduates from secondary and higher schools. Though the increase in unemployment does not preclude economic growth, it curtails the budget and hastens inflation, raising the threat of social—and even economic—destabilization. An acceleration of inflation did occur toward the end of the first half of the year. This may be maintained in the second half under the effect of compensatory duties on imported foodstuffs, increased rents in communal apartments (which make up one-third of apartment stocks), and the effects of weather on the agricultural market. The rising inflationary pressure is usually accompanied by a fluctuation in demand, which falls temporarily because of rising prices. One should also prepare for the trap that the increase in foreign demand sets for Polish production. The developed countries and the European Union are not increasing their interest in Polish production; attempts to regain the former level of exchange with the countries of the former USSR still encounter barriers because of fickle conditions.

The reaction of the private sector to market signals will have an alleviating effect on the difficulties and dangers of growth. That sector's present share in the numbers of employed surpasses its position in terms of investments, export, and payments to the state budget. The useful effects of these reserves of economic activity sui generis will depend on the operational inclusion of the private sector in the "Strategy for Poland" program.

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Poll Reveals Attitudes Toward Privatization

AU2710201994 Bucharest EVENIMENTUL ZILEI in Romanian 20 Oct 94 p 3

[Unattributed "Document": "According to an IMAS and KRC Research Poll, 53 Percent of Romanians Declare That Living Standards Are Worse Than in 1989, While 41 Percent Do Not Understand Privatization at All"]

[FBIS Translated Text] *In the second half of 1993 the United States Agency for International Development (USAID) began financing a program entitled Good Morning, Romania. The purpose of that program is to support the privatization process in Romania by offering information on practical aspects of privatization. The program is intended for the entire population and is meant to facilitate the processes of cooperation and communication. The U.S. KRC research institute and the [Romanian] Marketing and Public Opinion Polling Institute (IMAS) initiated, both before the commencement of the program [in 1992] and in August 1994, a research study intended to promote the Good Morning, Romania program. The goal of these research studies was to detect the principal currents of Romanian public opinion regarding privatization. The results of the study are to be used in designing the campaign strategy. The research included several discussions in groups, as well as an opinion survey by means of a questionnaire encompassing a nationally representative sample of 1,500 respondents (with a maximum 2.6 percent margin of error).*

The comments belong to the researchers who carried out the poll; the subheadings have been contributed by our editorial staff.

Romanians' Lives Are Worse Than in 1989

Compared with four years ago, the economic situation, generally, has:	
worsened	62 percent
improved	22 percent
remained the same	13 percent
no answer given	3 percent

Next year's economic situation, generally, will:	
worsen	29 percent
improve	34 percent
remain the same	23 percent
no answer given	14 percent

Compared with four years ago, my and my family's economic situation has:	
worsened	53 percent
improved	20 percent
remained the same	26 percent
no answer given	1 percent

Next year my and my family's economic situation will:	
worsen	29 percent
improve	31 percent
remain the same	29 percent
no answer given	12 percent

Almost two-thirds of the population believe that the country's economic situation has worsened compared with four years ago, and 53 percent of the population feels its personal economic situation has deteriorated.

As for the population's opinion on the future evolution of the economic situation, the discrepancy between national and personal circumstances disappear, and there are even indications of a certain degree of optimism (over a third of the people think that next year both the nation's economic situation and their personal position will improve).

Comparing the figures in the present study with similar figures obtained in the 1992 March-April poll, a reduced sense of security regarding the future and an increase in people's disorientation can be noted.

The Most Important Problem That Romania Currently Faces

May 1993		August 1994	
Economic situation	14 percent	Economic situation	24 percent
Unemployment	13 percent	Unemployment	16 percent
Agriculture	11 percent	Price regulation	9 percent
Privatization	10 percent	Corruption	8 percent
Corruption	9 percent	Agriculture	8 percent
Price regulation	7 percent	Inflation	7 percent
Social protection	6 percent	Privatization of state-owned companies	5 percent

The figures in this table reveal the population's perception of the most important problem currently facing Romania (the question in the questionnaire was open, meaning that the possible problems were not restricted).

The table also compares the figures obtained in the two studies, those of May 1993 and August 1994. The problem of greatest concern for the population, both in May 1993 and in August 1994, is the general economic situation.

During the period that elapsed between the two polls, the importance of the privatization problem has dropped considerably (from fourth place on the 1993 list to eighth place in 1994).

On the other hand, a comparison with the 1993 results shows a clear separation of the issues on the list of priority problems: In 1994 the general economic situation and unemployment are considered priority problems by 40 percent of the population.

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A special note should be made of the issue of price regulation, which rose four places on the list, from seventh in 1993 to third in 1994.

Privatization Is Accepted Quite Formally

Opinions Regarding Privatization

	May 1993	August 1994
Favorable	70 percent	67 percent
Opposing	10 percent	12 percent
Neutral	15 percent	17 percent
No answer	5 percent	4 percent

Thus, there is a striking similarity between the figures obtained in May 1993 and those obtained in August 1994.

Despite the fact that the majority of the population viewed privatization favorably, an analysis of other data obtained during both studies reveals that this acceptance is quite formal, owing especially to the fact that the comprehension of what privatization actually means is somewhat limited.

41 Percent Do Not Comprehend Privatization at All

Understanding Privatization as the Distribution of Part of the State-Owned Assets Among the Population

	May 1993	August 1994
I understand some of it	42 percent	39 percent
I do not understand any of it	27 percent	41 percent
I understand it very well	31 percent	11 percent
No answer	—	9 percent

The figures in this chart reveal that in the period between May 1993 and August 1994, the population's opinions on this issue have changed quite a lot. Whereas in May 1993 31 percent of the population declared that they understood the substance of this form of privatization very well, the percentage of those who declared the same in August 1994 fell dramatically, to a mere 11 percent. Accordingly, a substantial increase (from 27 to 41 percent) of people stating that they do not understand privatization at all is seen. This data shows that people have begun to realize their need for more and clearer information on that issue.

88 Percent of Romanians Believe That What We Need Is an Authoritative Political Leadership

Attitudes—Chart 2 [number as published]

Romanians should learn to take the reins of their lives more in their hands	92 percent
In order to survive in the transition period Romania needs an authoritative political leadership	88 percent
I thought democracy would be better than it has turned out to be	84 percent
We should lay emphasis on our culture and on Romanian traditions to help the country overcome the transitional period	81 percent

Attitudes—Chart 3

Economic changes and privatization are unavoidable	78 percent
People employed by private firms work more conscientiously	75 percent
We have to build a market economy if we want other rights to be guaranteed as well	73 percent
Privatization means that industry will become more efficient	72 percent
The next generation will be the first one to reap the fruits of a market economy	69 percent
We have to accept the difficult period we are passing through because otherwise nothing will change for the better	68 percent
I would like privatization to be speeded up because that would offer me new possibilities	68 percent
I would prefer to return to the security of the old system rather than go on with further changes	20 percent

Attitudes—Chart 4

I find it difficult to accept the great differences between the rich and the poor as seen in a market economy	67 percent
A market economy means that dishonest people can earn money without really having to work for it	63 percent
A market economy means that many things are not sold for their proper value	63 percent
Privatization has meant that Turks, Arabs, and Gypsies could strike it rich, while Romanians are having a hard life	60 percent
I feel very lonely and insecure in the new economic system	60 percent
I do not know how to make money, and regardless of how much I would like to work hard, no one will teach me what to do	60 percent
Political and economic liberty will lead to the decline of traditional Romanian values	39 percent
Only the corrupt can profit from the furthering of the privately owned sector	31 percent

There are a number of views (chart 2) with which over 80 percent of the population agree: namely, the need for each citizen to assume more responsibility for himself (92 percent), the need for a clearer political direction, and the desire to go through the transitional period by making use of national traditions and cultural values. However, so far 84 percent of the population thought that "democracy would be better than it turned out to be."

Another category of views (chart 3) referring to the need for the transition to a market economy is of interest to 68

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to 78 percent of the population. A total of 75 percent believe that "people employed by private firms work more conscientiously."

The third group of views (chart 4) reveals the extent to which the population experiences feelings of insecurity, confusion, and even revulsion at certain aspects implied by the transition. Sixty percent of the population is extremely concerned over its morality, especially over the way in which certain people have struck it rich.

Getting Corruption Under Control—A Vital Factor

Important Factors for the Improvement of the Quality of Life

	Not important	Important
Getting corruption under control	3 percent	79 percent
Stabilizing prices	3 percent	78 percent
Strengthening control over crime	1 percent	77 percent
More job security	5 percent	71 percent
Cutting unemployment	8 percent	68 percent
Raising salaries	12 percent	60 percent
Ensuring the quality of social services	4 percent	59 percent

Fighting corruption is considered by 79 percent of the population to be the most important factor for the improvement of the quality of life. Also believed to be important are stabilizing prices, strengthening control over crime, and increasing job security.

It is noteworthy that all are immediate-interest issues, having to do with the everyday lives of citizens. None of these issues is directly connected to the privatization process. What's more, the "stabilizing of prices," for instance, actually runs counter to privatization. This proves that the major concern of the population is to reduce the difficulties encountered in everyday life.

The analysis of the data obtained in this survey reveals that issues clearly linked to privatization (the large-scale privatization of industry, for instance) are not considered issues of immediate importance.

Israel To 'Modernize' Romanian MiGs

AU0111100294 Bucharest EVENIMENTUL ZILEI in Romanian 27 Oct 94 p 4

[Report by Oana Maiuga: "Over 50 Percent of the Romanian Air Force's MiGs To Be Sent to Israel for Modernization"]

[FBIS Translated Text] Approximately 50 percent of the MiG-21 fighter planes of the Romanian Air Force are to be modernized and re-outfitted. The program to re-equip and modernize the MiG jets is an old project that began to be implemented only recently. Romanian experts and pilots are also participating in the project.

Following a contract concluded between an Israeli company and the Ministry of National Defense, approximately 50 percent of the MiG-21 planes are to be modernized. The jets will leave for Israel one at a time, and after the completion of the necessary modification work, they are to be brought back to the country.

The Israeli company has offered its services to all the Eastern European countries with outdated military flying equipment.

They have already taken delivery of the first jets to undergo the necessary improvement work.

Report Suggests Sabotage Targeted Iliescu

AU0111095594 Bucharest ADEVARUL in Romanian 28 Oct 94 p 1

[MEDIAFAX-signed report: "Assassination Attempt Against President Iliescu?"]

[FBIS Translated Text] The security of Romania's president was in danger on Monday evening [24 October], just before the presidential train left for Carei, where Armed Forces Day was scheduled to be celebrated. Just 20 minutes before the departure of the first locomotive of the presidential convoy, mechanics at Baneasa station discovered that the No. 21 points were not working. Those in charge of preparing Mr. Iliescu's train checked the points and found two stones placed between the rails.

According to Report No. 80036 of the commission investigating the situation—a report signed by Petre Gheorghe, the head of the CSB [expansion unknown] district; Ilie Popa, the station master; and Alexe Alexandru, chief of the repair team—the two rocks had been placed there by malevolent persons some time between 1845 and 1950. Baneasa station master Popa made the following statement to a Bucharest news team: "We found it strange that, although we had checked the track, when we tried to switch the No. 21 points, they failed to function. The rocks were placed between the rails thereby jamming the points. We made a report and notified the Baneasa railroad police. We are now waiting for the SNCFR [Romanian National Railroad Company] Revision Directorate to solve the case."

Police Arrest Uranium Smugglers in Valea Ursului

AU3110160294 Bucharest ROMANIA LIBERA in Romanian 28 Oct 94 p 16

[Report by M. Ionita: "Uranium Is Being Sold at an Inn in Valea Ursului"]

[FBIS Translated Text] At an inn in Valea Ursului, near Pitesti [Arges County], three uranium thieves—Ion Popescu, Mugur Scarlat, and Ion Gealapu—were arrested during a covert police operation at the very moment they were handing over a stainless steel tube filled with 230 pellets of radioactive material weighing more than three kg to G. Simonca and C. Gabor, who had come here from the city of Cluj especially for that purpose. If they can rob even special factories producing radioactive fuel, what should we expect of other facilities?

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Civic Alliance Leader Discusses Cooperation

AU0111095694 Bucharest ADEVARUL in Romanian 25 Oct 94 p 1

[Report by Constantin Coroiu: "Literary Critic Nicolae Manolescu Evaluates the Political Work of the Democratic Convention of Romania"]

[FBIS Translated Text] For two days, Mr. Nicolae Manolescu, accompanied by other members of the leadership of the Civic Alliance Party [PAC], has been visiting Iasi County.

Here are a few of the opinions and assessments of the PAC president, as expressed during the meetings he had in Iasi municipality and county and at the news conference that he held there at noon yesterday:

In 1992, the unity of the Democratic Convention of Romania [CDR] depended on its euphoric state of mind. At that time, the CDR had an eclectic electorate, before whom it came up with general concepts and naive slogans rather than with concrete things. "If we continue to use the same naive slogans, we will lose the elections again. The blame should not be placed on the voters, but on those who should have won their vote (...) Therefore, we should not be surprised if we find the Social Democracy Party of Romania [PDSR] still in power in the year 2000—the only difference being that it will then be the strongest liberal party, for no other reason than that it will include all the people with great financial power." PAC makes its continuation in the CDR conditional upon the admission of the National Liberal Party [PNL]-Quintus [leader of the official PNL] grouping into the organization, and on deliberation by the CDR of proposals advanced by all member parties. Otherwise, "we reserve the right to take our fate into our own hands."

Commenting on the recent, partial, local elections, Mr. Manolescu predictedt that, at the next elections, the differences between communists and the electorate will no longer vote according to such criteria.

Mr. Manoiescu made an exclusive comment to ADEVARUL in connection with the statements of the Democratic Party [PD] leaders at their recent national conference in Cluj regarding an alliance or even a merger between the PD and the PSDR. He said that the terms in which the statements were made were pretty much reserved, meaning that the PD does not exclude an alliance and even a merger with Mr. Cunescu's [PSDR president] party when the time is ripe for it. However, one must wait and see what Mr. Cunescu has to say in this regard. Nevertheless, that would not be an unnatural alliance, given the fact that both parties are social-democratic. However, there is a major difficulty: namely, that the two parties situated themselves at different barricades in the beginning, with one of them having actually held power, something which creates the problem of "making the voters of the two parties agree with each other."

Former Student Leaders Said Forming New Party

AU3110211894 Bucharest EVENIMENTUL ZILEI in Romanian 28 Oct 94 p 1

[Report by Dan Maracineanu: "Is a Third Political Force in Romania in the Offing?"]

[FBIS Translated Text] According to well-informed sources, a secret meeting took place last night [27 October] between leading figures of the Socialist Party of Labor and the former leaders of student organizations [in the 1980s] from several university centers. The meeting was attended by almost 50 people.

According to these sources, the purpose of the meeting was to create the conditions for joining forces within a future foundation, which is to promote the national interest.

The meeting also stressed that it wants to set up an alternative group to the "A Future For Romania" group and to the "Group for Social Dialogue."

Although the problem was not explicitly raised, we believe that last night's meeting represents the beginning of an attempt to set up a third force in Romanian politics, which should incorporate the student leaders—who made themselves conspicuous for their broad-minded views during the Ceausescu period—in a possible political party.

Iron Guard 'Nest' Opened in Bucharest

AU3110151594 Bucharest ADEVARUL in Romanian 29-30 Oct 94 p 1

[MEDIAFAX-signed note: "After Five Decades, on Negruzzi Street, the First Iron Guard Nest Has Been Set Up"]

[FBIS Translated Text] After more than five decades, the Iron Guard movement has opened its first nest [cuib] at 16, Negruzzi Street [in Bucharest]. The current organization, which bears the name of Horia Sima, former commander of the Iron Guard movement, is headed by Serban Suru, who has publicly declared his allegiance to Iron Guard ideology.

"The Iron Guard movement is not prohibited by law. I intend to register the Iron Guard movement in court, as a moral, Christian association," stated Serban Suru. Suru recently founded an Iron Guard library intended "to portray the true history of the movement." Romanian legislation currently prohibits the Iron Guard movement [as published].

Ministry Issues Report on AIDS Cases

AU3110145094 Bucharest ADEVARUL in Romanian 25 Oct 94 p 1

[Unattributed note: "On 30 September, 2,907 AIDS Cases in the Country"]

[FBIS Translated Text] A communique from the Health Ministry informs that there were, on 30 September, a total 2,907 AIDS cases registered in Romania. Of the total number of cases, 212 were adults and 2,695 were children. Of the people infected with HIV, 67.4 percent are between the ages of one to four. Among these, 1,152 are male and 808 female. As regards the way the adults were contaminated, 104 cases were traced back to heterosexual relations, while in 62 cases the source was unknown. Among children, in 989 cases the source of contamination was unknown, while another 655 cases were traced back to blood transfusions.

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Prime Minister Silajdzic Discusses Zagreb Talks

LD3110235994 Zagreb HTV Television in Serbo-Croatian 2208 GMT 31 Oct 94

[From the "Picture vs Picture" program]

[FBIS Translated Text] In addition to analyzing a joint Croatian-Bosnian tour and exceptionally successful visits to Malaysia, Pakistan, and Iran, a Bosnia-Herzegovina Government delegation led by Haris Silajdzic also discussed cooperation and future relations between Bosnia-Herzegovina and Croatia in Zagreb today. Here is what Bosnia-Herzegovina Prime Minister Haris Silajdzic said in an exclusive statement for the "Picture vs Picture" program following talks with Croatian President Franjo Tudjman, Croatian Prime Minister Nikica Valentic, and Croatian Foreign Affairs Minister Mate Granic. The interview was conducted by Damir Matkovic.

[Begin recording] [Matkovic] Mr. Prime Minister, how are negotiations on the Bosnian-Croatian Federation progressing?

[Silajdzic] Negotiations have progressed well. However, the problem is the implementation of these negotiations. We do not have any problems with negotiations, we have encountered some problems in the implementation of some agreements. It is not going as fast as we would like, but I must give you my view that the Washington Agreement and the Vienna Agreements have already showed success by the very fact that conflicts have ceased, that we are going further and further from these conflicts daily. There are problems, there are oscillations, there are those who would sometimes wish to jump out of our train, out of our Washington Agreement on the federation, but all in all, we cannot be displeased.

There have been many omissions, there have been omissions on both sides. But through continuous negotiations, meetings, we are trying to eliminate at least those basic problems.

[Matkovic] Mr. Hans Koschnick celebrated his 100 days in Mostar yesterday. How do you assess his 100 days?

[Silajdzic] Well, I think that he is a man who has decided to do something in Mostar and he is going do succeed in it definitely, if we help him out. Heavy conflicts took place there. It is not simple to heal serious wounds, restore trust, but he is proceeding step by step, I think that he is working systematically, that he is working well and that he will succeed in it.

[Matkovic] Do you believe that this Mostar model can be applied in other towns in Bosnia-Herzegovina?

[Silajdzic] This model is not applicable because, quite frankly, the EU [European Union] agreed to this, but only just. In other words, no one is delighted to get involved in something he does not believe will be a certain success. It is possible that we may apply some models. I have just talked to President Tudjman about something we, Presidents Tudjman and Izetbegovic, discussed in New York, namely, about setting up a commission, comprising ambassadors serving in Bosnia-Herzegovina, the German, the United States, and the Turkish ambassador. Such a commission may supervise the implementation of these Washington Agreements and the overall formation of the federation.

Since there are recriminations from both sides to the effect that one side or another is not exactly acting along the lines of these agreements, it would be a good thing to have a neutral, may I say, friendly arbitration to draw our attention to the shortcomings on either side and review the situation in more objective terms. This is one of the ways [words indistinct].

[Matkovic] My last question: In recent days we have been hearing reports, corroborated by UNPROFOR [UN Protection Forces], that the Bosnia-Herzegovina Army has been successful in several locations and liberated some territories. What is your comment?

[Silajdzic] Congratulations, of course, to our fighters. They have demonstrated that they are stronger than the aggressor if they have weapons. This is a message to the international community that should let us arm ourselves, not for the sake of war but for the sake of peace. Had we had weapons two years ago, today we would have peace in this region. Regrettably, the aggressor does not understand any other language. It understands the language of force. Hence, the language of force should be used. If the international community is not willing to do this, then we should be allowed to do this. Any other option amounts to helping the aggressor.

Consequently, these successes will bring the aggressor to its senses and bring it to the negotiating table, so we can find a peaceful solution. The difference in weapons between us and the aggressor does not lead to peace. A balance of forces leads to peace. There is nothing wise or new about this notion. It is valid both in practice and in theory, in Europe in particular. It has not, though, been applied in this area yet. Hence, the moment we have a balance there will be peace. If the world, the international community wants peace in this region, then it will let us arm ourselves, so we can restore peace. So simple, but so hard to achieve.

[Matkovic] However, the problem of Mt. Igman also remains. UNPROFOR has been complaining that your government soldiers do not wish to leave the demilitarized zone [DMZ] and that this represents a major problem.

[Silajdzic] It depends on what one deems to be a DMZ. It is not completely clear. They are ready to criticize the legitimate Bosnia-Herzegovina Government and the legitimate army because of it. At the same time, we have for months been demanding that attacks on safe havens, attacks on the exclusion zone in Sarajevo, shelling of Hrasnica, shelling of the road across Mt. Igman leading to Sarajevo—be punished. UNPROFOR seems to take it as a normal thing when the Serb aggressor forces shell us. When we strike back they consider it something very unusual. They consider us only a

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victim, never an equal partner. They will have to change their attitude in this respect and understand that we are fighting for the freedom of our land, that we are asking for arms because of peace, not war, the same as was done by the English when Hitler attacked them. Then late Lord Churchill asked, as he put it, for the tools to finish the job. He got his tools, the problem is that they are not giving them to us.

[Matkovic] Thank you very much. [end recording]

'Successful' Malaysian Visit

AU3110202794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 31 Oct 94

[FBIS Translated Text] A Bosnia-Herzegovina delegation led by Prime Minister Haris Silajdzic returned today from a visit to Malaysia, Iran, and Pakistan. This evening the members of the delegation met the press. Prime Minister Haris Silajdzic summarized the visit by our country's delegation.

[Begin Silajdzic recording] I would like to say at the outset that our visit, the visit by the prime ministers of the Republic of Bosnia-Herzegovina and the Republic of Croatia and their delegations to these three countries was planned and organized in such a way as to (?yield) results in the political-diplomatic and economic fields. Regarding the economic sphere, I think that our expectations have been exceeded. In the political sphere, this was a demonstration of the good positions that our two countries occupy in the international community.

A large number of important international protagonists have stressed their readiness to help Bosnia and Croatia to resist the aggression from Serbia and Montenegro. Improvements in bilateral relations between Bosnia and Croatia is a very important result of this visit. On the other hand, our hosts prepared themselves for this visit most thoroughly. I think that one can conclude from this that they are counting on Bosnia-Herzegovina and Croatia as serious partners for a long period ahead.

In any event, the visit was extremely successful. This was also the conclusion in Zagreb, where I have in fact just come from. On the other hand, it appears that not only have we achieved all the desired effects, but the fact is that the delegations were received at the highest level and most cordially.

In Malaysia, during our audience with the Malaysian king, an invitation was sent to the president of the Presidency of the Republic of Bosnia-Herzegovina and the president of the Republic of Croatia to visit Malaysia. This is yet more proof of the evolution of relations between these three countries.

We have met the Croatian Government, the Government of the Republic of Croatia, in Zagreb today. We summarized the results of this visit and discussed the results of agreements between the two governments on which we have been working for more than three months. At about noon, I had a meeting with Croatian President Tudjman. [end recording]

Silajdzic: Army Success To Rekindle Peace Talks

AU3110193694 Paris AFP in English 1856 GMT 31 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 31 (AFP)—Bosnian Prime Minister Haris Silajdzic Monday said recent government military successes would help rekindle peace talks with the Bosnian Serbs.

"These victories will prove to the Serbs that they will have to come to the negotiating table and negotiate seriously," he told a news conference. He was referring to a major government offensive, launched a week ago in the west of the country, which has rolled back Serbs, forcing them out of some 250 square kilometers (100 square miles) of territory.

Bosnian Serbs this summer rejected an international peace plan which had called for the partition of Bosnia-Herzegovina with Serbs getting 49 percent and Moslems and Croats the remaining 51 percent of the territory.

On Sunday, Bosnian Serb leader Radovan Karadzic pledged to reject any land-for-peace deal in the wake of the latest Moslem offensive. "The enemy wants war and if the enemy wants it, then it shall have it. There will be no withdrawal, no giving back of territory if the result of the crisis is a military one," he said in a speech in the western town of Bosanski Petrovac.

"Had we made a deal, we could have decided what to give them back." But "if they want war then we will accept nothing less than 64 percent (of the republic's territory)," he said. The Bosnian Serbs currently hold 70 percent of the country, but claim only 64 percent.

Karadzic's speech was that of a desperate man, Silajdzic suggested. His army was falling apart as soldiers fled "because it's not a picnic any more." "The myth of the invincibility of the Serb army (...) has been dispelled by these victories," the premier added.

The fact that the Moslem-led army had managed to score its most important victory in the 30 month war, despite the current international arms embargo, proved the war would have been much shorter had the embargo been lifted. The embargo was "one of the gravest mistakes the international community has ever made," he said. The international community, he suggested, had for too long just looked on Bosnia as "a natural catastrophe, like an earthquake," he said.

Silajdzic had just returned from a joint trip he made with the Croatian premier to Malaysia, Pakistan and Iran.

Serb Leader Karadzic Cited on Halting Attacks

AU3110133494 Paris AFP in English 1257 GMT 31 Oct 94

[FBIS Transcribed Excerpt] Sarajevo, Oct 31 (AFP)—Croatian Serbs shelled a Moslem-held area of northwestern Bosnia and massed troops on the border to

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relieve pressure on their Serb brethren facing an offensive by the mainly Moslem army, UN sources said Monday.

Government forces Monday pursued their offensive on the western front and have now taken 250 square kilometers (100 square miles) of territory in their biggest success against the Bosnian Serbs since the beginning of the war 30 months ago, a UN Protection Forces (UNPROFOR) spokesman here.

However, Bosnian Serb leader Radovan Karadzic said the assault had been halted.

"Moslem activities have been stopped and conditions have been met to pursue tasks related to the state of war," Karadzic said at a meeting with Bosnian Serb military leaders in the northwestern town of Bosanski Petrovac, the Bosnian Serb news agency SRNA reported.

UNPROFOR also Monday accused the Serbs of twice shelling civilian targets in a Sarajevo suburb at the weekend, adding that it was ready to take "appropriate strong military action", including air strikes.

In northwestern Bosnia, 21 artillery rounds, fired from the secessionist Serb-held Krajina enclave, just across the border in Croatia, fell near Veluka Kladusa overnight, Lieutenant-Colonel Tim Spicer said here. [passage omitted]

Elsewhere on the western front, the confrontation line continued to move southwards and has now reached the vicinity of Kulen Vakuf, also on the Croatian border, Spicer said.

In the northeast, a sudden increase in machine gun and small arms fire Monday at dawn "seems to imply that infantry action is taking place in the town" of Bosanska Krupa, he said.

Meanwhile, in the Sarajevo sector, fighting continued Monday east of the Mount Igman demilitarized zone (DMZ) after government forces had captured high ground from which they can bombard a Serb-controlled main road. [passage omitted]

UN experts said international sanctions against the Serbs, particularly a fuel embargo, appeared to be starting to bite.

Karadzic on 'Exceptional Results' of State of War

LD3110171294 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 31 Oct 94

[FBIS Translated Text] The measures stemming from the state of war declared in the Bihac and Kupres areas are giving exceptional results, and I am very satisfied with the fighters' response to the call-up, their upbeat morale, and the people's support, Radovan Karadzic, president of the Srpska republic and supreme commander of the Srpska republic army, said in an interview with SRNA in Petrovac today.

Asked by reporters about the reasons for the introduction of the state of war, Karadzic replied: We could not have allowed the Muslim forces to penetrate deep into our territory without declaring a state of war, and we are now contemplating its introduction over the entire territory of the Srpska republic.

The supreme commander pointed out that the international community—especially the United States—tolerates the Muslim offensives, which triggered the mobilization of our manpower, economic, and other resources in order to defeat the Muslims as quickly as possible.

5th Corps Continues Advance on Bosanski Petrovac

AU3110194694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 31 Oct 94

[Report By Mirza Sadikovic]

[FBIS Translated Text] The fighters of the 5th Corps are continuing their victorious march. Another 30 square km toward Bosanski Petrovac were liberated today. On the other side, from the so-called SAO [Serbian autonomous region] Krajina, several dozens of artillery shells were fired on the Velika Kladusa, Bihac, and Cazin areas. This forced the civilian authorities in the Bihac region and Mirsad Veladzic, minister in the Government of the Federation and the Republic of Bosnia-Herzegovina, to issue sharp protests to international organizations and UNPROFOR [UN Protection Forces]. Here is a report on today's fighting in the Bihac region by our correspondent Mirza Sadikovic:

[Sadikovic] Obviously the violent course of the chetnik response to the increasingly clear successes of the 5th Corps, whose members today relentlessly continued to expand the free territory in this part of the country. [sentence as heard] Up to this moment, some 30 more square km toward Bosanski Petrovac have been liberated. Successes are also increasingly evident toward Bosanska Krupa and Bosanska Otoka, where fierce artillery-infantry fighting has been taking place all day today.

Muslim Advances 'Checked'

LD3110170694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1636 GMT 31 Oct 94

[FBIS Translated Text] Petrovac, Sarajevo, Doboj, 31 Oct (TANJUG)—Attacks by the 5th and 7th Corps of the Muslim army have been checked in all parts of the Bihac and Kupres battlefield, TANJUG has learned from sources of the Srpska republic army.

The command of the 2d Krajina Corps has announced that members of the 5th Corps tried to infiltrate commando units, but failed. The same source says that two groups have been routed on the slopes of Mt. Grmec. Twenty-four commandos have been killed and three

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captured. The frontlines in this part of the battlefield have been stabilized and are under control of the 2d Krajina Corps.

The Sarajevo-Romanija Corps command has announced that the Muslim units deployed in the demilitarized zone on Mt. Bjelasnica carried out a heavy infantry attack toward nearby Serb positions this morning. The attack was repelled by the Serb forces.

Military sources in Posavina say that an attack on Serb positions 12 km southwest of Brcko has been repelled.

On the Doboj area battlefield, the Muslim army formations engaged in low-intensity combat activities and regrouped their forces.

Bangladeshi Soldier Injured

AU3110173694 Paris AFP in English 1706 GMT 31 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 31 (AFP)—A UN Bangladeshi soldier was wounded Monday when two shells slammed into the ground yards from his observation post in the western Bihac region, a UN spokesman said. The soldier sustained only slight injuries to his arms and knees, Major Herve Gourmelon said here.

The incident occurred in the vicinity of Otoka, where heavy fighting has been raging for a week between Moslem-led government forces and Bosnian Serbs.

Meanwhile, in another incident Monday, an Ilyushin transport plane was hit by a stray bullet while on the ground at Sarajevo airport. The airport continued operations.

UN Said Supporting Army

LD3110162894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1535 GMT 31 Oct 94

[FBIS Translated Text] Petrovac, 31 Oct (TANJUG)—Several members of the [Bosnia-Herzegovina Army] 5th Corps were taken prisoner on the Bihac front last night and today; the prisoners claim that members of UNPROFOR's [UN Protection Forces] Bangladeshi battalion are providing the Muslim forces with important logistical support, TANJUG was told by sources in the Srpska republic army [VRS].

The VRS command in Petrovac claims that the prisoners disclosed during interrogation that Bihac was subjected to mass mobilization of "all able-bodied and unfit males," including the slightly wounded in hospitals, in order to continue attacks toward Petrovac and Krupa na Uni [Bosanska Krupa].

The prisoners admitted that they were helped in clearing the terrain in the direction of their attacks by members of the Bangladeshi battalion in Bihac, from whom they also received important logistical support.

Bihac and other cities are almost deserted, because everybody has been "ordered to advance", so as to secure links between the units that are "in disarray and are wandering aimlessly along the foothills of Mt. Grmec and the Una River valley," the prisoners said.

According to them, Serb military sources announced, the Muslim unit commanders do not know for certain where Muslim troops are located in the areas they captured recently.

Serbs Mobilize Wounded

AU3110194594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 31 Oct 94

[Report by Mirudin Aldobasic]

[FBIS Translated Text] The fighters from Tesanj have repelled several [Serbian] aggressor's combined-arms attacks in the Husari region. A similar situation occurred on Putnikovo Brdo and Karusa on the Doboj front.

These attacks today represent desperate attempts by the chetniks in Doboj and Teslic to retake their lost territories. It is no longer a secret that, in their impotence, Karadzic's Serbs have recently been mobilizing all men between 16 and 65 years of age. Moreover, they are even sending the lightly wounded chetniks back to the Doboj and Teslic fronts.

Serbs Claim 24 Muslims Killed

LD3110122094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1150 GMT 31 Oct 94

[FBIS Translated Excerpt] Petrovac, 31 Oct (TANJUG)—Attacks launched by the Muslim army's 5th and 7th Corps have been stopped on all parts of the Bihac and Kupres fronts, the information service of the Srpska republic army's 2d Corps said this morning.

Members of the 5th Corps tried to infiltrate commando units during the night but they were unsuccessful. According to the same source two such units were destroyed last night on the foothills of Mt. Grmec—24 commandos were killed and three captured. [passage omitted]

Army Appeals to Krajina Serbs

LD3110230694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 31 Oct 94

[FBIS Translated Text] The headquarters of the 5th Corps of the Bosnia-Herzegovina Army today issued an appeal to the Serb population in the UN-protected areas [UNPA's] of the Republic of Croatia. The appeal reads as follows:

The headquarters of the 5th Corps of the Bosnia-Herzegovina Army has learned from reliable and trustworthy sources about the results of a military and political panel meeting in Bosanski Petrovac which was attended, in addition to representatives of Radovan Karadzic's Serbs, by General Celepetic and Milan Martic. At the consultative meeting in Bosanski Petrovac,

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your soldiers and political representatives pledged to help their brothers in Bosnia- Herzegovina. Their help is already taking shape.

What you certainly do not know, and what we want to convey in this appeal, are the facts about the consequences of military interference on the part of Serb military formations from the UN-protected areas of the Republic of Croatia. This army includes your fathers, sons and brothers, so you cannot remain indifferent. The fighters and officers of the 5th Corps of the Bosnia-Herzegovina Army know that military forces are being concentrated in the Knin area and Kordun and Banija. These forces are gradually being sent in to the Bihac area battlefields.

The consequences of such conquests for the Serb people of the Knin region have been fatal. Scores of Serb young men, your sons, fathers and brothers, have paid the price with their lives as they died in vain for the doomed fascist ideas of the leading Serb parties and individual extremists. Ask yourself, is there any need for this? In the name of whose aims is this happening? We are of the opinion that the Serb people in the UNPA's does not have to endure such truly unnecessary sacrifices, because the people of the free region of Cazin and the members of the 5th Corps of the Army of the Republic of Bosnia-Herzegovina are doing their best to render the relations between the Bosnian population in the Bihac region and the Serb population in the UNPA more tolerable.

Hence, one of the great virtues of the Bosnian people, its patience, is gradually coming to an end. In view of the fact that we have on several occasions informed the UN Protection Forces and representatives of the peace forces stationed in the UNPA's of the Republic of Croatia about all these problems, with no improvement in the ensuing situation, in the event of further deterioration in relations and an escalation of hostile operations on the part of the political and military bodies of the self-styled republic of Serb Krajina, the army of the Republic of Bosnia-Herzegovina will have to take far more radical measures, without even refraining from retaliating against defensive targets, the appeal says.

Over 30 Helicopters Overfly 'Brcko Corridor'

AU0111104594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 1 Nov 94

[Report by Hamid Dernjic and Nihad Salihovic]

[FBIS Translated Text] The main characteristic of events overnight in the so-called Brcko corridor were the massive overflights by the enemy's air force. Over 30 flights by the aggressor's helicopters were registered over Brcko between 1800 and 2200 last night. They were flying along the usual Pelagicevo-Brcko-Bijeljina route in both directions.

The chetniks continued pounding the defenders' front lin · positions on the Brcko front. The aggressor's mortar fire, especially intensive at the beginning of the night, was (?concentrated) on the central part of the Brcko defense, Vranovaca, and Bodariste.

On [word indistinct] part of the front and around the village of Djukici, the chetniks' artillery fire was accompanied with fire from Brownings, anti-aircraft guns, and grenades. There were no consequences. The rest of the night on the Brcko front was characterized by the usual light arms provocations by the aggressor.

Serb Guns Kill 3, Wound 2 Civilians in Kladanj

AU3110191294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 31 Oct 94

[FBIS Translated Text] In a howitzer attack on Kladanj, chetniks from Sekovici today killed three civilians and wounded two. Muriz Reho reports from the Information Service of the 6 East Operations Group:

[Reho] The tragedy happened today at about 1515, when Karadzic's insane followers fired two 122-mm howitzer shells at the town center of Kladanj from the direction of (?Slivno). This is yet more proof that the Serbian rebels are not giving up their fascist plan to destroy everything Bosniak in a treacherous way from a long distance.

Krajisnik on 'State of War' in Bosnian Krajina

LD3110183494 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 31 Oct 94

[FBIS Translated Text] The current military situation in the operational zone of the Srpska army's 2d Krajina Corps and the deteriorated relations between UNPROFOR [UN Protection Forces] and the Srpska republic leadership—these subjects were discussed by Momcilo Krajisnik, speaker of the Srpska republic people's assembly, and our colleague Zorica Antic.

[Begin recording] [Antic] Mr. Krajisnik, could you please comment on the proclamation of the state of war in Bosnian Krajina.

[Krajisnik] We have long been reluctant to declare a state of war in parts of the republic and the entire republic, because we believe that everything should be done to bring this war to an end in the way that we had started to lead these people.

The state of war has its setbacks, but it also has its rewards. We were reluctant because we wanted to show the world that we did not want war but this represented a direct threat of war, and that we wished to find a solution through the peace process.

We decided to declare a state of war in parts of the republic, in the 2d Krajina Corps' operational zone, because the defense capability of our forces in this area was undermined through no fault of ours, but owing to a perfidious game played by one of UNPROFOR's turncoat battalions—the Bangladeshi battalion—and because of some of our own weaknesses—this we have to admit openly.

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The state of war has been declared in this area and we hope that it will be relatively short lived; the Muslims attacked us in this area from the protected zone and we will have to make it clear that neither the Muslims nor UNPROFOR can behave like that.

It is impermissible for government forces to attack from a protected zone because on several occasions while we were stationed outside Bihac we were warned that a protected zone could not be attacked, nor could attacks be launched from a protected zone. This clarifies that there is neither any law nor any kind of legislation as regards the Serbian people, and that all of this is being aimed at the Serbian people. We are going to punish the Muslims in this area in the most severe way since we have to demonstrate clearly that they cannot wage war in this way.

[Antic] Does the top level combat alert in other parts of the Srpska republic imply a possibility of a state of war in the entire territory of the Srpska republic.

[Krajisnik] Surely, the fact that this is the highest level of combat alert means that it is, shall I say, a run-up period, the stage preceding a state of war. It is perfectly possible that something similar will be introduced throughout the republic. We do not want a state of war unless we face a situation where we have to do it. I believe that this measure has had a pronounced preventive effect on our people, particularly so because men of fighting age, soldiers, should not leave their municipalities. We are analyzing this situation. This is an all-out Muslim offensive. If this offensive reaches such a degree in other areas a state of war can be expected in the entire area of our republic. [end recording]

Urges Definition of Authority

AU3110202494 Belgrade NEDELJNA BORBA in Serbo-Croatian 29-30 Oct 94 p 3

[SRNA attributed report: "Duality of Authority Must Be Eliminated"]

[FBIS Translated Text] Sarajevo—In Pale yesterday, the Srpska republic constitutional committee discussed changes and adjustments to the section of the Srpska republic constitution that defines issues pertaining to the state of war, immediate danger of war, and extraordinary circumstances.

"We wish to clearly define the terms immediate danger of war and extraordinary circumstances, and in this way make the work of the assembly, the government, and the president more efficient in such situations," assembly Chairman Momcilo Krajisnik said after the meeting of the committee, over which he presided.

Krajisnik stressed "the need to eliminate duality of authority," since owing to poor definition—so he said—"the jurisdiction of the relevant bodies of authority is intertwined in the sphere of immediate danger of war and extraordinary circumstances."

"Dual authority creates an inefficient state, which can easily result in divisions among the people, which could in turn affect the timely unification of the Serbian people," concluded Krajisnik.

Gen Rose Holds Talks With Serb Leaders in Pale

AU3010192994 Paris AFP in English 1902 GMT 30 Oct 94

[FBIS Transcribed Excerpt] Sarajevo, Oct 30 (AFP)—Bosnian Serbs Sunday [30 October] released four British UN soldiers and their interpreter detained on charges of espionage Tuesday, a UN military spokesman said here.

But UN Bosnia commander General Sir Michael Rose, who Sunday held three hours of talks in Pale with Serb leaders, failed to win the further release of two Moslem doctors detained by the Serbs Tuesday near Sarajevo while under the protection of British UN troops. Rose, who met with Momcilo Krajisnik, president of the Serb assembly and General Tolimir Zdravco Tolimir, a Serb commander, was to return to Pale for further talks on Monday, his spokesman Lieutenant-Colonel Tim Spicer said.

At Sunday's talks Rose also raised the issue of the Serb blockade of fuel convoys, but failed to make headway, Spicer acknowledged. [passage omitted]

The two Moslem doctors were arrested by the Serbs while travelling between Sarajevo and the eastern enclave of Gorazde under terms negotiated by the two parties earlier this month.

The Serbs claimed clearances given the doctors were invalid and seized them while at Lucavica Barracks, outside Sarajevo, at a time when they were under the protection of British UN soldiers.

Rose later met here with Bosnian President Alija Izetbegovic who reaffirmed his commitment to immediately order his forces out of a demilitarized zone (DMZ) on nearby Mount Igman. His forces had also agreed to cease all military operations out of the DMZ.

Three posts in the northeast of the DMZ—from which Moslem troops had previously refused to budge—would be jointly manned by UN and Bosnian forces, it was agreed.

UN Officials on Possible End to Fuel Blockade

AU3110204594 Paris AFP in English 2023 GMT 31 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 31 (AFP)—Bosnian Serbs were slated to lift a fuel blockade which has precipitated a crisis in the Moslem-held eastern Bosnian enclaves, UN Protection Forces [UNPROFOR] officials said here Monday.

The Bosnian Serbs were to start issuing clearances Tuesday to allow UN fuel convoys to transit through their territory, a spokesman said. The Serbs have blatantly broken earlier promises given to the UN that they would lift the month-old blockade which has forced

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UNPROFOR to curtail many of its activities in the UN-protected enclaves of Gorazde, Zepa and Srebrenica.

The latest pledge was made Monday in Pale by Bosnian Serb leaders at a meeting with UN Bosnia commander General Sir Michael Rose. Ten days ago, Bosnian Serb leader Radovan Karadzic had given UN special envoy Yasushi Akashi his own pledge the blockade would be lifted. But only a few tons of fuel was effectively allowed through. The Serbs then went back on their promise, making various demands, including withdrawal of Bosnian Government forces from a demilitarized zone near Sarajevo and an end to their offensive in the west of the country.

"The situation in the enclaves continues to worsen due to lack of food and fuel stocks and it remains a serious concern," Rose's spokesman, Lieutenant-Colonel Tim Spicer, had earlier said. Rose failed however on Monday to obtain the release of two Moslem doctors, arrested on Thursday by the Serbs while travelling under British UN protection between one of the enclaves and Sarajevo.

Koljevic: UN To Eject Muslims From Mt Igman

LD3110124494 Belgrade TANJUG in English 1212 GMT 31 oct 94

["Pool" item]

[FBIS Transcribed Excerpt] Belgrade, Oct. 31 (TANJUG)—Bosnian Serb Vice President Nikola Koljevic said the United Nations Protection Forces had given firm guarantees it would eject Muslims from the Mt Igman demilitarized zone, southwest of Sarajevo.

Koljevic said after meeting on Sunday with UNPROFOR commander for Bosnia-Herzegovina, Gen. Michael Rose, and UNPROFOR civilian affairs chief Viktor Andreyev that a concrete term for carrying out the action had not been specified. But he said the Serb side believed that UNPROFOR was very seriously working at the action of clearing the demilitarized zone on Mt. Igman.

'The protection of the demilitarized zone on Mt. Igman is one of the most serious tests UNPROFOR is facing, to which UNPROFOR committed itself by an agreement of August last year,' Koljevic said.

According to the Bosnian Serbs, there are still about 5,000 Muslim troops on Mts. Igman and Bjelasnica, in the zones which are supposedly demilitarized, not 500 as claimed by the Muslim leadership. [passage omitted]

UNPROFOR said Muslim forces continued to open artillery fire on Serb positions from the demilitarized zone on Mt. Igman. Col. Bernard Labarsouque said Muslim forces fired 50 to 80 shells from the demilitarized zone at Serb positions in the afternoon hours on Sunday.

Koljevic said the question of engaging NATO air force in case Muslims continued to misuse demilitarized zones was 'directly concerning UNPROFOR credibility.'

'If the U.N. gives up the protection of demilitarized zones and allows the Muslims to use them for launching offensives there will be great problems in connection with the respect of the world organization and UNPROFOR. [no end quotation mark as received]

Army Accuses UNPROFOR of Siding With Serbs

LD3010193494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 30 Oct 94

[FBIS Translated Text] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, today received General Michael Rose, UN Protection Forces [UNPROFOR] commander for Bosnia-Herzegovina, and Herve Gaubillard, UNPROFOR commander for Sarajevo. They discussed the situation on Mt. Igman.

We have just received a communique from the information service of the Bosnia-Herzegovina Army, which states:

In response to the increasingly frequent allegations by UNPROFOR that the Bosnia-Herzegovina Army has been active in the demilitarized zone [DMZ], we would like to say the following: The Bosnia-Herzegovina Army has been carrying out all its counteroffensive actions from outside the 20-km exclusion zone and the DMZ. These actions are aimed at providing defense and thwarting the aggressor's intentions, the essence of which has become all too clear to us over the past three years of our liberation war.

One can already speak about the continuity of accusations by UNPROFOR at the expense of our army, which leads to the conclusion that the UN forces, with few exceptions, have openly sided with the aggressor's side and want to freeze the current situation in the field at all costs.

In one of the counteroffensive actions by units of the 1st Corps, the blue helmets openly sided with the enemy. Using their two armored personnel carriers, they transported one or two chetnik platoons, thus helping them carry out an attack within the combat zone. They evacuated the casualties and the encircled aggressor soldiers and helped those chetniks who were fleeing encirclement. In some places they tried to check our advance. They openly threatened our units with air strikes.

On the other hand, artillery fire which was opened yesterday and today on Hrasnica, where several people were wounded and one civilian killed, has not caused any reaction among the UN officers. This is yet another fresh example of how the blue helmets turn a blind eye when it comes to casualties on our side, turn a blind eye, the statement says.

Bosnian Army Commander on First Fire Orders

LD2810171294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1547 GMT 28 Oct 94

[FBIS Translated Text] Sarajevo, 28 Oct (TANJUG)—Major General Dragomir Milosevic, commander of the

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Sarajevo-Romanija Corps of the Serb Republic army [VRS], this morning ordered all brigades in the Sarajevo region to "immediately inform UNPROFOR [UN Protection Forces] about every Muslim attack and after that retaliate by attacking a selected target in the Muslim part of Sarajevo," SRNA reports.

"Do not retaliate without a good reason, and never open fire first," commander Milosevic says in his order. He added that it is the duty of the VRS to protect the Serbian people from resurrected Islamic fanatics, and "we must be energetic and consistent, but also humane in doing it."

"To this end I am banning all actions which contravene the internatonal law in wartime and the Geneva convention," says Gen. Milosevic.

The order, SRNA reports, also states that the VRS command in Sarajevo was forced to adopt such a decision because of increasingly ferocious attacks by Muslim forces, "which very often target civilians and children."

"The Muslims are killing Serbian fighters who have been consistently implementing the cease-fire agreement of 9 February this year. The 21st victim of Muslim crime fell on 6 October in the demilitarized zone around Caklja. Nine Serbian combatants were killed and another nine wounded on 22 October on Mt. Treskavica. Given that our enemy does not respect any humanitarian principles, the command of the Sarajevo-Romanija Corps has decided to protect its own people," Gen. Milosevic stresses in his order.

UN: Government Forces Fire on Planes at Airport

AU3110184394 Paris AFP in English 1811 GMT 31 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 31 (AFP)—Bosnian Government forces opened fire at UN planes operating in and out of Sarajevo airport Monday, but there were no reports of any hits and the air bridge was not suspended, a UN spokesman said.

Lieutenant-Colonel Bernard Labarsouque said shots were fired by Moslem soldiers on the Butmir side of the airport, at the foot of Mount Igman. UN French armoured vehicles returned fire. However, there was a general easing of tension after the Bosnians had threatened to blow the armoured vehicles apart with anti-tank weapons.

Earlier in the day, an Ilyushin transport plane was hit by a stray bullet while on the tarmac. The reason for the firing was not known, but some hardline Moslem soldiers, based near Butmir, have objected to efforts by the UN to force them out of a demilitarized zone (DMZ) on Mount Igman. A tentative agreement on their withdrawal was reached Monday by UN sector Sarajevo commander General Herve Gobilliard and local commanders, which has allowed French blue helmets to set up an observation post above lines manned by the Moslem-dominated Bosnian Army at Krupac, inside the DMZ.

Government troops, who a week ago opened fired on the French peace-keepers as they approached their positions, are supposed to pull out of the zone, though no precise timetable has been fixed.

UNHCR: Serb Police Assist in 'Ethnic Cleansing'

AU2810160394 Paris AFP in English 1537 GMT 28 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 28 (AFP)—Bosnian Serbs are continuing their policy of "ethnic cleansing", driving out groups of non-Serbs in northern Bosnia-Herzegovina and taking their property, the UN High Commisioner for Refugees (UNHCR) said Friday [28 October].

UNHCR spokesman Peter Kessler said 16 Moslems, eight men, six women and two children were rounded up by armed men on the evening of October 26 and forced to cross the front line towards positions held by the mainly Moslem Bosnian army around the northeastern town of Bijeljina. The Moslems were herded into a lorry where the women had to pay 500 German marks and the men 1,000 marks, and then all their jewels, papers and money were taken from them.

In the same area on October 18, seven people were forced from their home including a young girl who ran out of her school on being told that armed men were rounding up Moslems and went to ask the help of the local Serb police. Police officers took the girl back to her parents' home where armed men made them get in to a lorry, said Kessler, stressing that police had helped the perpetrators in the operation.

The refugees told UNHCR investigators that life had become impossible for Moslems around Bijeljina, as in all areas controlled by Bosnian Serb forces. One said there were "no more children, no more friends, no more life, no more mosques, no more graveyards."

Tens of thousands of Moslems have been expelled by paramilitary groups acting in connivance with Bosnian Serb civilian authorities since the conflict in Bosnia began two and a half years ago.

Muslim Police Block Crossroads in Mostar

LD3010174594 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 30 Oct 94

[FBIS Translated Text] According to a statement issued by the Ministry of Internal Affairs of the Croat republic of Herceg-Bosna and its police station in Mostar, the road between the Mostar town center and Rodoc has been blocked by Muslim police at the crossroads near the former Luka bridge. Since this morning the Muslim police has been inspecting civilian vehicles even though they have no authority to do so. One person was beaten in the process.

Mostar Croats Object to 2 Municipalities

AU3110220594 Zagreb VECERNJI LIST in Serbo-Croatian 27 Oct 94 p 8

[Report by J. Pavkovic: "How To Organize a Town"]

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[FBIS Translated Text] Mostar—In a letter he sent to European Union [EU] Administrator Hans Koschnick, Safet Orucevic, representative of eastern Mostar, accused his administration of encouraging the development of two municipalities. This is yet another in a series of accusations that have recently been arriving at the address of the EU and the leadership of western Mostar from the left bank of the Neretva River. The Croatian side is now expected to send a similar protest to the EU administrator that he is encouraging a development of two municipalities.

EU Ambassador Klaus Metscher has already reacted sharply and rejected the Muslim accusations, criticizing Orucevic for publicizing his letter without holding any serious discussions on this issue before doing so. Even if the dispute is resolved, a fierce political struggle has begun over the administrative organization of Mostar.

There Will Be No Prejudiced Solutions

In the agreement that was signed by all three sides before the EU took over the authority in the town, the first point states that Koschnick's administration will not prejudice any political solutions. So, the organization of Mostar was exclusively to be discussed by the two peoples that are in the majority. Why is the third side now being blamed? Probably because they want to exclude the Croats from the future negotiations on this issue, and then accuse them of failing to implement what they had not even signed. However, Orucevic has prejudged a political solution by saying that it derives from all the agreements made so far. If this does not happen, he said he will fight against it very energetically. And in Mostar, this means a new war. In that case, as Orucevic himself would say, this would become a town of only one nation. Unfortunately, he is right in that. Why is the situation again being stirred up and why are the fuses again being lit on the Mostar powder keg now that positive shifts in mutual cooperation are emerging?

New military successes have raised the morale of the Bosniak army, which was probably a signal for Orucevic to make these war-mongering demands. However, those who are better informed about the policy of the leader of eastern Mostar say that this policy has not changed at all since the beginning. Following the principle of proposing and then accusing, many of his demands have been realized. Having created an atmosphere in which the Croats appeared not to be in favor of the federation, proposals like those on the removal of barricades, the erection of a new bridge in place of the former "Tito Bridge," and determining the number of those who are allowed to cross from one to another side of the river had to be accepted too quickly. It is difficult to say whether the latest proposal will fare the same, but the fact that Orucevic is presenting himself as the mayor of eastern Mostar indicates that he himself is not favor of the town as one single municipality. It was agreed that the situation that existed after the last elections in 1990 would be accepted, that is, that the mayor would be a Croat. The Croats have not been stressing this demand for the sake of domestic peace. Why then are the EU and the Croats from western Mostar being accused of something Orucevic himself is forcing? How long will they be blamed for something that they have the right to discuss on an equal footing?

Croats Full of Bitterness

The report that only 60 Croats live in the part of the town under Muslim control, while in western part of the town that is under Croat control there are about 10,000 Muslims, illustrates most graphically who is in favor of cohabitation in a single municipality. A policy of silent occupation is not hiding behind the proposal that Mostar be organized as a single municipality. This policy is already being experienced in eastern Mostar where the Muslims from eastern Herzegovina are being resettled. In fact, only one nation lives there now. Now that the Croats have accepted having only half of Mostar with much bitterness, they are being forced to accept a half of that half. This must be so, otherwise Orucevic will react energetically.

Croat Party Reaffirms Commitment to Unitary State

AU2810171994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 28 Oct 94

[Report by Sefik Mujkic on a HGS news conference in Zenica on 28 October—recorded]

[FBIS Translated Text] In a ceremony last night that confirmed its commitment to a civic, united, and undivided state, with its symbols and music, the Croatian Civic Party of Bosnia-Herzegovina [HGS] celebrated the anniversary of its founding.

The HGS's Chairman in Bosnia-Herzegovina, Dragutin Zvonimir Cicak, spoke of the work of the party so far, stressing that the appearance of the HGS on the political scene had caused [word indistinct] in the public, since it was formed at a time when some people claimed that Zenica should be a Muslim city, when the aggressor planned to raze Zenica to the ground, and during clashes between the two armies, that is, the Muslims and the Croats.

The party started work at a time when two parties, the Party of Democratic Action and the Croatian Democratic Community, took it upon themselves as their right to conduct policy and draw up the destiny of Bosnia-Herzegovina, and which had behind them both the army and the police. With its formation, the HGS effectively revived most of the opposition organizations, which have since been more active. All these activities led to the Washington Agreement.

Because of our attitude toward the ruling parties, Mr. Cicak said, we have often failed to get the support of both the Muslim and the Croatian peoples, but I claim that we will not give up our program for a united, integral, and undivided Bosnia-Herzegovina, with a

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united military force, a united police force, and united civil, judiciary, administrative, and other bodies in the state, even if that means that all the other parties rise against us. At the same time, I can guarantee that we have contributed greatly to the federation agreement. If municipal bodies are not formed soon on the entire territory in accordance with the constitution, the federation project will fail, and then we will demand that those who blocked it be publicly named.

Krajisnik on Dismissal of RSK Assembly Speaker

LD3010181694 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 30 Oct 94

[FBIS Translated Text] With regard to the replacement of Branko Vojnica, speaker of the republic of Serb Krajina [RSK] assembly, Srpska republic assembly Speaker Momcilo Krajisnik said it was surprising that Vojnica, an extremely ethical man and a great patriot, was dismissed from his post. It is a democratic right of Krajina deputies and people to choose and replace their officials; however, we are very much interested in helping the RSK, which we are obliged to do according to the Prijedor declaration, Krajisnik added.

Every official in the Srpska republic and the RSK is subject to reevaluation, but replacements are problematic because they can cause discord. Therefore, I would like to advise Krajina's deputies and politicians to consider primarily the unity of the Serb people. The RSK leadership has to think about the future of our Serb states. A recent attempt to accuse the Srpska republic leadership of concluding cheap deals with the RSK shows that some forces wish to create discord between the Serb lands on this side of the Drina River, the Srpska republic assembly speaker said.

Serbs, Muslims Exchange POW's at Srbobran

LD2910234094 Belgrade TANJUG in English 2208 GMT 29 Oct 94

[FBIS Transcribed Text] Banja Luka, Oct. 29 (TANJUG)—Bosnian Serbs and Muslims exchanged prisoners of war and prisoners at Ljubin Han near the town of Srbobran (formerly Donji Vakuf) in central Bosnia on Saturday.

Three Serb soldiers and four Serb civilians who had refused to answer a Muslim army mobilization call were released from Muslim prisons in the town of Travnik near the city of Zenica.

The Serb side released 20 POW's and conscripts.

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Tudjman Meets With Bosnia's Silajdzic in Zagreb

LD3110144494 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 31 Oct 94

[FBIS Translated Text] Croatian President Franjo Tudjman today received Bosnia-Herzegovina Prime Minister Haris Silajdzic at the Presidential Palace in Zagreb. The meeting was also attended by Hrvoje Sarinic, head of the president's office; Croatian Prime Minister Nikica Valentic; and Kasim Trnka, Bosnia-Herzegovina's ambassador to Croatia.

The talks focused on joint economic interests and ventures in Islamic countries, as well as joint Croatian-Bosnian ventures in the world in general.

President Tudjman and Prime Ministers Valentic and Silajdzic concluded that the two governments should work more energetically on the implementation of the Washington and Zagreb agreements. Agreement was also reached on the establishment of a neutral and friendly arbitration commission—made up of the ambassadors of Germany, the United States, Turkey, and Bosnia-Herzegovina—which should help out in the implementation of the Washington agreement and the establishment of the Bosnia-Herzegovina Federation and the confederation with Croatia. Special emphasis was laid on the need for better mutual media coverage of the implementation of the Bosnia-Herzegovina Federation, which was partly already agreed upon in the Zagreb accord.

Martic Comments on Krajina-Croatia Talks

LD3110180194 Belgrade TANJUG in English 1746 GMT 31 Oct 94

[FBIS Transcribed Text] Knin, Oct. 31 (TANJUG)—Serb Krajina president Milan Martic said Monday the conflict between Krajina and Croatia could be settled only through talks.

In a statement to the Serb Krajina news agency ISKRA, Martic said the Krajina-Croatia talks, which began in Zagreb last Thursday, were held on an equal footing as "talks between two sovereign states."

Martic said the Serb Krajina delegation in Zagreb was cooperative and the republic of Serb Krajina was prepared to deal with all disputed questions through a constructive dialogue on equal footing with Croatia.

The talks in Zagreb opened the questions of normalization of economic relations between Krajina and Croatia. The meeting was mediated by chairmen of the international conference on the former Yugoslavia David Owen and Thorvald Stoltenberg.

Krajina Serbs in 1991 declared independence from Croatia after Croatia unilaterally seceded from the former Yugoslavia and removed Serb national rights from the Croatian constitution. The territory was placed under United Nations protection in 1992.

Croatian authorities refuse to recognize the republic of Serb Krajina and consider it a part of Croatia, while Krajina Serbs argue that their state was formed in the same way as Croatia—through the disintegration of the former Yugoslavia.

Martic welcomed Owen's and Stoltenberg's recent statements in which they said that U.N. Security Council resolution 820 adopted in April 1993 to tighten sanctions against Yugoslavia did not refer to Serb Krajina.

"Misinterpretation of this resolution largely represents an obstacle to a successful course of talks on the economic issues," Martic said.

U.N. Security Council resolution 820 tightened the sanctions against Yugoslavia by banning the transit of most industrial goods, including fuel, through the Yugoslav federation of Serbia and Montenegro.

Martic said he expected Owen and Stoltenberg to make a written interpretation of the resolution.

Martic said this would remove "many obstacles in the way of reaching an agreement on reopening the Adriatic oil pipeline and the (Belgrade-Zagreb) highway."

"I am not sure that it would be possible to sign an agreement on reopening the highway and the pipeline without a clear written interpretation of Security Council resolution 820," Martic said.

A new round of Krajina-Croatian talks is scheduled for Nov. 3 in the Serb Krajina town of Topusko, about 60 km south of Zagreb.

Seeks UN Clarification

LD3110135794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1239 GMT 31 Oct 94

[FBIS Translated Text] Knin, 31 Oct (TANJUG)—Milan Martic, president of the republic of Serb Krajina [RSK], told ISKRA [news agency] today that he is satisfied with the resumption of the Krajina-Croatia talks.

Negotiations are the only way to resolve the conflict between the two sides, the RSK president stressed. He specially emphasized the fact that the talks were conducted "on a basis of full equality, like talks between two sovereign states."

Pointing to the Krajina delegation's cooperation at the Zagreb talks, Martic underscored Krajina's readiness to "resolve all outstanding issues with Croatia through constructive dialogue based on equality."

Commenting on the statements by David Owen and Thorvald Stoltenberg, cochairmen of the Conference on Former Yugoslavia, according to which UN Security Council resolution 820 does not apply to the RSK,

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Martic said "misinterpretation of this resolution is largely an obstacle to the successful course of the negotiations on economic issues."

In this regard he expects a statement in writing and interpretation of the resolution from Owen and Stoltenberg, which, he said, will remove "many obstacles in the way of an agreement on reopening the Adriatic pipeline and the [Belgrade-Zagreb] highway."

I am not sure, Martic specified, that the signing of an agreement on reopening the pipeline and the highway could be possible without a clearly worded written interpretation of UN Security Council resolution 820.

Tripartite Meeting Depends on FRY Recognition

AU3010220994 Split SLOBODNA DALMACIJA in Serbo-Croatian 25 Oct 94 p 3

[Article by A. Gugo: "Tudjman-Izetbegovic-Milosevic Meeting Soon?"]

[FBIS Translated Text] Well-informed diplomatic circles in Zagreb claim that a Tudjman-Izetbegovic-Milosevic tripartite meeting could take place soon. This can also be discerned from the announcement that arrived from the Office of the President of the Republic, on the occasion of French Minister for European Affairs Alain Lamassoure being received by the Croatian president. However, the diplomatic sources claim that Dr. Tudjman set perfectly clear conditions, primarily the recognition of the Republic of Croatia by Serbia, that is, the "FRY [Federal Republic of Yugoslavia]," within the internationally recognized borders and without any conditions. The French minister's visit was only an occasion for arranging the details, since Milosevic has allegedly expressed readiness for recognition and for the tripartite meeting. The place and the time of the meeting will be arranged afterwards, and only when the note on the recognition arrives from Belgrade. Croatian circles have rejected the possibility of preliminary meetings taking place, at which the tripartite meeting and the conditions of mutual recognition would be discussed, as Serbia has demanded, since the Republic of Croatia demands unconditional recognition.

This certainly surprising news was not a coincidence, after the resolution adopted by the Political Committee of the UN General Assembly. Namely, the resolution clearly states that the issue is occupation of part of the territory of the Republic of Croatia. In the case of part of the population of a certain state rebelling, there is no occupation in formal and legal terms, so Serbia has found itself in a very complex situation. The only possibility of avoiding the paying of war damages to the Republic of Croatia, as well as all other things unfavorable for Milosevic's regime, is recognizing Croatia. Ultimately, the Serbs in Croatia have been sold out, having been used for the goals Milosevic will try to capitalize on in Bosnia-Herzegovina, while the continuity of Croatian foreign policy bears fruit.

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Update on Parliamentary Election Results

LD3110214294 Skopje Radio Macedonia Network in Macedonian 2100 GMT 31 Oct 94

[FBIS Translated Excerpt] Petar Najdanov, chairman of the State Electoral Commission, was the first to address journalists at a news conference this evening to announce the official results of the turn-out in the second round of elections. He said:

[Begin Najdanov recording] The voting took place in 101 electoral units. In 99 electoral units the overall number of voters in the general register of voters is 1,127,794. Of this number, 599,402 citizens voted, representing 53.15 percent of the electorate. [passage omitted]

We have not received any reports from two electoral units: electoral unit 51, Ohrid; and electoral unit 79, Tetovo. [passage omitted] [end recording]

Continuing the news conference, Vasil Trpkovski, deputy chairman of the State Electoral Commission, announced the names of 61 deputies elected for the new parliament of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] in the first and the second rounds of elections. Forty-seven of them belong to the Alliance for Macedonia, seven to the Party of Democratic Prosperity, three are independent deputies, and there is one each from the Social-Democratic Party of Macedonia, the Socialist Party, the Liberal Party, and the coalition of the Democratic Party of Turks and the Party of Democratic Action-Islamic Path. [passage omitted]

Gligorov Stresses Country Committed to Peace

LD3110220994 Skopje Radio Macedonia Network in Macedonian 2100 GMT 31 Oct 94

[FBIS Translated Text] President Kiro Gligorov has received a large group of representatives of international organizations, foreign governments, and national non-government organizations who had been monitoring, in the capacity of observers, the second round of elections in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia].

The reception was attended by representative of the Parliamentary Assembly of the Council of Europe, of the CSCE Parliamentary Assembly, foreign parliamentarians, representatives of the CSCE organization for democratic institutions and human rights, representatives of foreign missions and international organizations accredited to Skopje, and representatives of civic initiatives and forums in our state.

Addressing the guests, President Gligorov thanked them for their efforts made together with international institutions and the world public at large, aimed at contributing to the creation of an objective picture of the process and results of the parliamentary and presidential elections in Macedonia. President Gligorov said:

[Begin Gligorov recording] This nation is committed to peace. We would like to have good relations with all our neighbors. Both in our first elections before we gained independence and in the present ones, you could see for yourselves that this nation has opted for a peaceful, democratic development, and therefore the extremism that is characteristic of other former Yugoslav republics has not come to the fore in our first or second elections.

We want our new parliament to bring our laws—our election law, law on judiciary, on political institutions, our economic laws on free market economy—to bring them in harmony with European standards, with help from the Council of Europe, the CSCE, and other European institutions. Therefore, you can understand our legitimate wish and legitimate ambition to become a CSCE member, a member of the Council of Europe, and thus find our place among other European nations. [passage indistinct] [end recording]

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Drnovsek's Attitude Toward Peterle Criticized

AU2910205894 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 28 Oct 94

[FBIS Translated Text] Three ministers from the Christian Democratic Party—Foreign Minister Lojze Peterle, Interior Minister Andrej Ster, and Transport and Communications Minister Igor Umek—sent a letter to Prime Minister Drnovsek today in which they protested his attitude toward the efforts of outgoing Foreign Minister Peterle to improve our relations with Italy and bring Slovenia closer to the European Union.

They conclude that his behavior is dishonest and not partner-like. For this reason they will propose that the party decide whether in present circumstances it makes any sense at all to continue working in Drnovsek's cabinet.

The above-mentioned ministers also oppose exploitation of such important issues as drawing closer to the EU and regulation of relations with Italy for internal political squabbles.

Arms Trade, Embargo Violations Viewed

95BA0006A Belgrade POLITIKA in Serbo-Croatian 24 Sep 94 p 7

[Article by M. Jaksic: "A Political Decision and a Big Business Deal"]

[FBIS Translated Text] Ljubljana, 23 Sep—Recent events concerning the Slovene "arms affair" seem to indicate an essentially different role of Slovenia in the arms trade and violation of the embargo imposed by the UN Security Council than it appeared until recently, when it was thought that this state served only as one of the stages on the itinerary to the customers for the lethal cargo in Croatia and Bosnia and Herzegovina. The transit of arms was obviously only a minor (marginal) part of the Slovene arrangement in the chain of the death trade, from which this state (and, it also seems, individuals) derived great financial benefit. Recent estimates indicate that about a billion-and-a-half U.S. dollars were earned in this way, most of which went into the state treasury.

Kucan's Rationale

Reacting to charges by Jelko Kacin, Slovene defense minister, that he is not willing to cooperate in clearing up this entire case, former defense minister Janez Jansa has just confirmed in statements made at a recent press conference views different from those commonly held and substituting a business rationale behind a deal of this kind for the phrase about the transit being some kind of humanitarian gesture ("in order to help Croatia and Bosnia and Herzegovina in their defense against the aggressor"). Jansa, after all, has once again mentioned a meeting of the National Defense Council presided over by Slovene President Milan Kucan sometime in mid-1991, where the decision was in fact made to enter into this deal. When this affair surfaced for the first time, Milan Kucan himself acknowledged that the Council had debated this and made such a decision, but at the time even he gave as the grounds for all this "Slovene aid to the Croats and Muslims in defending themselves against aggression," concealing the business character of this entire operation, or perhaps even some of its deeper political elements, which are suggested by that part of Jansa's statement to the effect that Kucan never would give him, the defense minister (in spite of his repeated insistence), the minutes of that meeting. It would certainly be interesting to see what was discussed in that meeting when Jansa was so interested in the minutes, although it is not precluded, in the judgment of some people here, that those minutes may see the light of day in view of the big problems Slovenia faces at this moment, above all concerning its large debts to those from which this state has been purchasing arms and then reselling them.

The bottle is broken, and the water spilled from it cannot be returned to the same bottle. Everyone seems to owe everyone else. The Slovenes owe the foreign firms which at this point seem to be putting pressure through their governments for those debts to be settled. The Slovenes are owed money by their customers, nd individuals (obviously on the top rungs of the political ladder here) not only owe a great deal of money to their own state, but they are even being morally branded as all but criminals whose amorality might serve someone as a wild card in the windup of the current game of cards concentrated on the upcoming local elections and the attempt of certain political forces to derive political profit from all this.

It has thus turned out that not only is Slovenia in debt to the foreign firms (as much as a billion German marks [DM] in some estimates), but, say, Alija Izetbegovic also owes Slovenia DM1,000,000. Croatia has paid the Slovenes 515,000,000 tolars (1 DM = 79.50 tolars) for arms which it received in 1991. However, these were only arms of the former JNA [Yugoslav People's Army] which the Slovenes sold to the Croats as surplus, but so far there has been no mention anywhere of whether payment has also been made for those arms which the Slovenes purchased abroad for the Croats, unless payment was made in full with oil, since it appears that it is with oil that Croatia has mainly been paying for those shipments. Just as it is not altogether clear what happened to the arms which the Slovenes purchased abroad but were unable to sell, since these are inventories presumably burdened with interest and as such—at least for now—might be considered a pure loss.

Troubles With Customers

In particular the purchases of the ministry of internal affairs (since both the police and the army were buying and selling), documented as of the date 5 May 1992 and with a value of $8,354,100. This refers to 13,000 AK-47 kalashnikovs, 13 million rounds for that weapon, 9,300 Makarov pistols, five million rounds for that weapon, 2,000 soldier's uniforms, and 13 120-mm mortars. Sales from this totalled $5,737,169, but another 6,550 pistols and 4,454,720 pistol rounds went unsold.

The ministry of internal affairs therefore asked its supplier to reduce the prices of those pistols and ammunition, which

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he agreed to, but the arms still were not sold, so a new request was made for the supplier to take back what had not been sold, which he did not want to agree to, so that representatives of the ministry therefore had to make a trip to Sarajevo to persuade the most responsible people in Alija's army to purchase those weapons as well.

According to one written report (in May 1992), they did in the end agree to that, but "because of the deteriorating situation in Bosnia and Herzegovina, that transaction could not be completed," according to that same report, which was made by Franci Kosi, a staffperson of the ministry of internal affairs. The decision that Slovenia "help Croatia and Bosnia and Herzegovina in the war against the aggressor" was made, then, at the highest level of Slovenia's political and government power, with the active involvement of the Slovene president and others, so that in practical terms, by supplying weapons to the Croats and Muslims and by making a political decision of that kind, that state took sides in the conflict.

The further course of events related to the war drama on the territory of the former Bosnia and Herzegovina will perhaps raise that issue as well, either among the Slovenes themselves, or at the international level. After all, what is involved here are the most drastic forms (known at least to the public at this point) of violation of the embargo of the United Nations, of which the Slovene state is a member.

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Federal

Government Hails Cooperation With UNPROFOR

LD3110205594 Belgrade TANJUG in English 2048 GMT 31 Oct 94

[FBIS Transcribed Text] Belgrade, Oct. 31 (TANJUG)—The Yugoslav Government Committee for Cooperation with the U.N. Protection Force Monday said Yugoslavia and UNPROFOR were communicating and cooperating well.

A Yugoslav government statement said the committee agreed, at a session chaired by Yugoslav Prime Minister Radoje Kontic, that Yugoslavia was helping UNPROFOR's mission in former Yugoslavia by offering various services and privileges.

As UNPROFOR was not meeting its financial obligations on time, it will be asked in direct contacts to make the payments on time in keeping with government decisions.

Otherwise, the committee will propose that the government take the necessary steps, including a reconsideration of providing certain services.

The statement said other direct tasks of the committee and competent state organs in resolving actual issues of cooperation with UNPROFOR were also discussed at the session.

Avramovic's Stabilization Program Criticized

AU3110133794 Belgrade BORBA in Serbo-Croatian 22-23 Oct 94 p 12

[Interview with Tomislav Popovic, director of the Institute of Economic Sciences in Belgrade, by Nadezda Gace; place and date not given: "The Time of Trick-Economy Is Over"]

[FBIS Translated Text] [Gace] You have been extremely critical toward Professor Avramovic's program since it was first implemented. There are many doubts about the success and scope of this program, and many of the expert group members who created the program are dissociating themselves from it. How would you assess the program today, and the role Professor Avramovic played in its adoption and implementation?

[Popovic] Generally speaking, I think that Professor Avramovic is done an injustice because he is contested as the author of the program. My point of departure is two facts visible in his interviews. First, Mr. Avramovic's concept for the stabilization program was prepared as far back as June 1993. In order to be able to use this concept it was necessary to motivate the political authorities and to destroy the national money, which is also important. Second, a team consisting of Mr. Kosta Mihailovic, Milos Macura, both Academy members, Mr. Avramovic, and Mr. Nikola Stanic, has been active since April 1992 as a certain superior economic shadow government. From time to time, they have been assisted by some economists as operators or as a stage set for the public. Think of how the so-called Christmas package of measures was publicly defended in June 1992, how the package of measures from the autumn of 1993 (freezing of prices and similar), and the package of the measures contained in the present program were publicly defended.

The materialization of Avramovic's program can be divided into two stages. The first stage includes the period from July 1993 to January 1994, in which the national money was systematically destroyed "in great style."

[Gace] The statement that the devaluation of the national currency was planned as a part of the program sounds absurd. What was the function of the first stage?

[Popovic] The concept of the program that relied on the new, convertible dinar could not be materialized in July because the amount of the local currency was, in my opinion, 600 to 700 million German marks [DM] and the fixed exchange rate for the dinar, as the key nominal anchor, could not be maintained with significantly smaller hard-currency reserves, which amounted to DM200 million. This condition could not be fulfilled before the dinar was devalued, when the value of the local currency first plummeted to DM100 million, and went further down to DM60 million on 24 January. This means that the ample money issues used for the purchase of wheat from peasants, which brought them losses because of inflation, the freezing of prices, which led to empty shelves in stores, the freezing of interest rates, which led to the destruction of the lending power of banks, the pressure exerted on companies to bring their goods to the market in spite of heavy losses caused by hyperinflation, the consequence of which was the destruction of companies' capital... are only segments of the organized destruction of the national money, which was the main prerequisite to the materialization of Avramovic's program concept. This means that the criticism directed at the executive economic authorities in the second half of 1993 was in practical terms sent to the wrong address.

[Gace] If this was the first stage, what was the second?

[Popovic] The second stage of the program in the period from January to October 1994 is less complicated and less important. It has had a technical and instrumental function. Seen from the point of view of professionalism, it has been carried out efficiently.

As far as the destiny of the program is concerned, that is the transition to stable and liberalized forms of economy, I think that something presented as one of the biggest successes of the program evokes the greatest suspicion, and it is the allegedly spectacular increase in the country's hard-currency reserves.

[Gace] You were a member of the expert team who prepared the program of economic stabilization. Why is there so much suspicion now toward something that has, doubtlessly, aroused enthusiasm in masses?

[Popovic] The research team of the Institute of Economic Sciences and me personally dissociated ourselves from the monetary system reconstruction program as soon as it was presented on 24 January 1994. Among other things, we energetically supported the thesis that a stabilization program could not be carried out with a

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built-in fault—the public sector budget deficit amounting to approximately 15 percent of the gross national product, which annuls all important program parameters and planned results. Based on this evaluation we predicted that the program could last for one and a half to two and a half months.

Time showed that we were right. If we take the program as the document published on 24 January, we have to establish that it was implemented for only three or four weeks. Already in mid-February the social program was abandoned, which is the soul of every stabilization program, especially under the circumstances of impoverished population and unemployment, which are the most common reasons for their elaboration. Apart from that, the complete fiscal system was given up, too. The privatization process was frozen....

[Gace] The dinar exchange rate was somehow kept steady until recently, so that it seems that some of the basic ideas have been implemented consistently. Do you think that also these basic ideas have been abandoned now?

[Popovic] All key elements of the program, the so-called nominal anchors of the program, have been abandoned: A short period of time in which the dinar was convertible was followed by a policy of interventions that resulted in the clearing exchange-rate—a phantom exchange rate which was later on inefficiently protected with repression measures. Instead of the planned 5-percent interest rate for deposits—which should have protected the exchange rate and enabled a more rational use of capital—the real interest rates in commercial arrangements continuously increased and reached a level of over 3,000 percent per year at the beginning of October. Apart from that, there has been an explosive rise in wages, much quicker than the production and productivity growth.

From demand inflation in 1993 we came into cost inflation, with the level of total costs higher than the level of total prices. The enormously high 1993 deficit in the sector of public expenditure was in this way transformed into the deficit of companies, banks, public services, households and farmers.

The result was a program without a program.

[Gace] If there is no program, which instruments are the basis for the implementation of the "program without a program"?

[Popovic] The basic instruments are the National Ban—which takes over the functions of the commercial banking and of the state-owned investment fund, and whose president is Avramovic with unlimited prerogatives—and the daily adaptation of the macroeconomic measures and instruments to the psychological, political and social state of the "nation."

It is a favorable circumstance that the stabilization program has been taken more seriously and more systematically by the Serbian government, which has, among other things, achieved a significant decrease in public spending and has shown determination to support the program primarily with economic measures.

[Gace] What will in your opinion happen with the program and the stabilization of the Federal Republic of Yugoslavia?

[Popovic] The delicacy of the present moment and the destiny of the stabilization program results from the fact that we have reached the highest possible level in issuing noninflationary money, since the currency in circulation is approaching the amount of approximately 2 billion dinars. Its further expansion would inevitably activate an inflation spiral and depreciate the exchange rate; on the other hand, if there is no issue, there will be insolvency and holdups in the manufacturing process as a consequence of recession.

This is where the controversy over the concept comes from. The National Bank president supports further growth in salaries because they should enable the creation of demand on the domestic market. On the other hand, the executive bodies consider that the level of salaries sustainable from the point of view of the economy has already been reached. They are confronted with the fact that companies are burdened with high wages and taxes, with high interest rates because the economy has significant debts, with high taxes on imported goods, and with the difference that has to be paid between the official and the black-market exchange rate for hard currencies. Losses and insolvency resulting from this situation threaten to activate the social bomb and to interrupt the manufacturing chains and money-borrowing lines. The time spent so far has been bought with the money issued by the National Bank, improvisations and approximate solutions only augment the costs we shall have to pay in the near future, regardless of the fact whether the next step is oriented to the market economy, or whether all instruments of the centrally planned voluntarism go crazy, including a severe repression.

[Box, p 12]

Small Hard-Currency Reserves

[Gace] Hard-currency reserves increased at first. This topic is no longer discussed, though. What is the situation actually like with the convertible money reserves?

[Popovic] I think that an extremely high price was paid for the growth of the hard-currency reserves which, to my knowledge, now amount to approximately DM200 million. They have been drastically reduced, there is much money hidden in private homes, or it has flown to bank safe-deposit boxes, or to companies. The plunge amounts to over DM1 billion since the artificially cheap hard currencies were spent on cheap imports, on tourism abroad and on other things.

This fact is especially important because after the sanctions are lifted we shall be confronted with an uncovered financial gap of several billion dollars. This will make our position very unfavorable vis-a-vis the International Monetary Fund, which "issues visas" for the Paris Club and foreign investors, and which requires that its severe criteria be met.

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[Box, p 12]

Resistant Dealers

Experiences of other countries show that the arrest of a thousand or several thousand dealers would only intensify the tendency of the dinar plunge. If you arrest street dealers, every doorman at a state-owned or private company starts working as a dealer. Every restaurant waiter exchanges the national money for hard currencies in the well-known way. Unfortunately, the market or the black- market price paid for the foreign currency in such transactions also includes the costs of a high-risk operation.

Poll on Avramovic

AU0111113594

[FBIS Editorial Report] Belgrade TELEGRAF in Serbo-Croatian on 26 October on page 10 carries the results of an opinion poll conducted by TELEGRAF on the economic situation in the country. The paper provides neither the date of the poll, the size of the sample, nor any other relevant information concerning the methodology used in conducting the poll.

The results of the poll are presented in four charts entitled "If Anyone Should Go, Then It Should Be the Prime Minister," and expressed in percentages as follows:

Who should leave following the dispute between Avramovic and Marjanovic?	
Marjanovic	49.1
Avramovic	5.0
Both	19.2
Neither	19.2
Do not know	7.5

What will happen if Avramovic submits his resignation?	
Inflation	61.7
Nothing	19.1
Social unrest	7.5
Do not know	6.7
Milosevic will fall	5.0

Is fresh inflation imminent?		
	22 Oct 94	31 Aug 94
Yes	75.8	75.8
No	15.8	5.8
Do not know	8.3	18.4

Has Avramovic's program fulfilled your expectations?	
No	38.3
Yes	29.2
It exceeded them	19.2
Partly	10.0
Do not know	3.3

Ministry: 719 Experts Left in 'Brain Drain'

LD2910110194 Belgrade TANJUG in English 1043 GMT 29 Oct 94

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Oct. 28 (TANJUG)—From 1990 through 1993, over 719 highly-skilled experts in different areas left Serbia and Montenegro, said the Yugoslav Ministry of Development, Science and Environment.

According to the latest ministry figures, 600 experts, most of them with doctorates or master's degrees, left for developed countries in 1993 alone.

Yugoslav Minister for Development, Science and Enviroment Janko Radulovic said Tuesday most of these emigrants were experts who had been engaged on joint projects with the United States, the European Community, Great Britain and other countries.

Radulovic said they all left after the total economic blockade was imposed on Yugoslavia by the United Nations, severing all scietific communication with the world. The total embargo imposed in May 1992 banned even attendance of Yugoslav scientists at symposia abroad. Radulovic said the brain drain was a result of this blockade which is unrecorded in the history of civilization.

Ministry figures show that the experts were aged between 32 and 45 at the average. Most of them are electrical engineers, physicists, mathematicians, chemists and medical experts.

The experts are embraced by the most developed countries, especially the United States and Canada, which are well aware that it takes more than 100,000 dollars to train such skilled researchers.

The Yugoslav Government has decided to devote special attention in the coming period to the question of this brain drain [words indistinct] The first step will be to invite these experts to cooperate actively with Yugoslav scientific institutions and companies.

Serbia

New Russian Envoy Zotov Arrives in Belgrade

AU3110202594 Paris AFP in English 1951 GMT 31 Oct 94

[FBIS Transcribed Text] Belgrade, Oct 31 (AFP)—Russian envoy Alexander Zotov arrived in Belgrade Monday for talks the next day with Serbian President Slobodan Milosevic, Russian sources here said.

Zotov, replacing Vitaly Churkin as President Boris Yeltsin's envoy on the former Yugoslavia, was making his first trip to Belgrade.

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Churkin made his last trip to the Serbian capital earlier this month before taking up his new duties as Russian ambassador to Belgium.

Russia is the traditional ally of Serbia in the Balkans. It played a leading role in persuading Milosevic to sever relations with Serbs in Bosnia-Hercegovina who have rejected an international peace plan after seizing around 70 percent of Bosnian territory.

Artillery Training Center Opened in Kragujevac

LD2910143294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1255 GMT 29 Oct 94

[FBIS Translated Excerpt] Kragujevac, 29 Oct (TANJUG)—An artillery training center for officers, NCO's [noncommissioned officers], and reserve officers of the Yugoslav Army was opened in Kragujevac today.

The opening ceremony was attended by many representatives of the Yugoslav Army, the Republic of Serbia, the district of Sumadija, and the city of Kragujevac.

Ilija Brankovic, chief of the artillery department in the Yugoslav Army's general staff, opened the center by ceremonially cutting the ribbon. He called on the staff to teach the children to become good people, to defend their homeland, and to be humane and noble. [passage omitted]

Montenegro

'Repression' Against Sandzak Muslims Reported

AU3110153494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 31 Oct 94

[FBIS Translated Text] The Information Center of the Muslim National Council of Sandzak reports that the repression against the Muslims in Sandzak is continuing.

In the night between 25 and 26 October this year, a group of 14 special policemen from the Montenegrin Ministry of Internal Affairs stormed a predominantly Muslim populated village of Licine in the Bijelo Polje Municipality. The policemen searched the houses for arms. In doing so, they tied and beat up men in front of their families in an attempt to extract admissions that they had caches of arms and to make them say who else in the village possessed arms illegally. A number of residents of the village of Licine were asked to come to the Bijelo Polje security center for the so-called informal talks.

According to an independent new agency, MONTENAFAX, the action of the special policemen of the Montenegro Ministry of Internal Affairs continued in the villages of Bijelo Polje again last night.

This was stated in a communique issued by the Information Center of the Muslim National Council of Sandzak.

Kosovo

Rugova: 'Rising Up Now Would Mean Suicide'

BR3110144794 Amsterdam ELSEVIER in Dutch 29 Oct 94 p 86

[Report on interview with Ibrahim Rugova, president of Kosovo, by Harald Doornbos in Pristina; date not given: "'Rising Up Now Would Mean Suicide'—The Difficult Choice Facing Kosovo's Illegally Elected President Rugova"]

[FBIS Translated Text] Pristina—The small, windowless office of Ibrahim Rugova, Kosovo's illegally elected president, in a rough area of Pristina speaks volumes about the ethnic Albanians' struggle for an independent Kosovo: There is no bright ray of hope.

Persevering with unarmed resistance is keeping the Serbs in the saddle and not bringing Rugova's dream of an independent Kosovo one step closer. Indeed, it is merely fueling frustration among his supporters. However, if Rugova calls for an uprising against the Serbs, that will lead to a bloodbath among the 1.8 million ethnic Albanians, which is not a very heartening scenario either.

"We have no choice," says Rugova, a writer who is head of the Democratic League of Kosovo (LDK). "Serbian dominance is so complete that we will be exterminated if we resort to violence. We cannot even organize a protest demonstration, because then we would be beaten up or they would start shooting. The only remaining option is peaceful resistance. Rising up now would mean suicide."

"There are 2 million people in Kosovo, which is wedged in between Albania, Montenegro, Serbia, and Macedonia [The Former Yugoslav Republic of Macedonia]. The population comprises 85 percent ethnic Albanians. Although Kosovo is currently part of Serbia, the Albanians want nothing to do with this situation. They are demanding independence, or annexation to Albania.

"That is abhorrent to the Serbs. Clearly they would then lose their privileged situation. Kosovo, the Serbs argue, is Serbian and will always remain so, because it is the cradle of the Serbian nation, the site of the 'Battle of Kosovo' [fought at the field of the Blackbirds] in 1389. Although the Serbs were defeated by the Turks, even today that bloody encounter ranks as a milestone for many Serbs. And there are thousands of Serbian orthodox monasteries in Kosovo. These historical claims go hand in hand with economic interests. Kosovo has natural resources, such as zinc, gold, and lignite.

"Serbian President Milosevic has created a myth around Kosovo," Ibrahim Rugova says. "In fact, we Albanians were here long before the Slavs. Milosevic may well lay claim to territory where Serbs live in Croatia, Bosnia, and Kosovo, but if others intend to enforce their historical claims, then Milosevic must not practice double standards." Before the disintegration of Yugoslavia, Kosovo was an autonomous province. That meant it had its own parliament, its own territorial defense force, its own police force, and a right of veto within the collective presidency. In 1990, Milosevic brought a definitive end to the status of Kosovo. Albanian politicians, soldiers, teachers, and workers were only allowed to keep their jobs if they signed a declaration of loyalty to the Serbian authorities. Many refused to do so and were dismissed. The tension mounted. Serbs murdered Albanians. Albanians murdered Serbs. Many Balkan specialists warned

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against the outbreak of war. However, what happened in Croatia and Bosnia did not come to pass in Kosovo. Although Serbian policemen wearing bulletproof vests are now patrolling the streets of Pristina and although the Serbs have set up road blocks on all the access roads around Kosovo, the province does not have the atmosphere of a police state. On the other hand, according to a recent report by Amnesty International, Albanians are very often mistreated, and sometimes shot dead, by Serbian policemen during house searches.

Rugova claims that the relative peace is due to the fact that the majority of Albanians kept up their unarmed resistance. "If we want we can destroy Serbian monasteries on a day-to-day basis," Rugova says, "but we do not do so. Before Islam was introduced to the Balkans, the Albanians even helped to build those monasteries."

Meanwhile, the Serbs have not pressed for a war in Kosovo either. For the time being, Milosevic is too busy dealing with Bosnia, the Krajina region in Croatia, and his own Serbia. So while anything Albanian is officially prohibited, the authorities are permitting the dismissed Albanian teachers and professors to set up private schools where 160,000 students attend classes in Albanian every day. The Albanians are also being allowed to set up their own network of small hospitals. Nonetheless, in spite of everything, this form of divided coexistence is giving the Albanians the idea that the least they can do is maintain their culture.

Of course, Rugova knows this too. As long as the Albanians still have their own schools, even if they are illegal, and are able to produce a newspaper in Albanian, they will simply have too much to lose to start an armed uprising. In spite of this, last month a number of prominent figures from the LDK left the party because they believe that Rugova is adopting too soft an attitude. Now, in an attempt to keep closed ranks within the party, Rugova is proposing that the Albanian struggle for freedom continue apace. "The international community is allowing the Bosnian Serbs to press for a confederation with Serbia as soon as they can accept the peace plan proposed by the Contact Group. So if any borders are to be changed, I do not see why Kosovo should not go ahead to form a confederation with Albania. That is the first step on the way to integration with Albania. There is no need for this to happen overnight. However, Serbia has to be placed under pressure by the international community in order to meet us part of the way," Rugova says.

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